



TRADE AND ACCESSION FACILITATION FOR AFGHANISTAN (TAFA)

Annual Report: November 2011-November 2012



With TAFA's support, an Afghan delegation participated in Afghanistan's second Working Party meeting regarding the country's accession to the World Trade Organization (WTO) at WTO headquarters in Geneva, Switzerland, in June 2012. The meeting marked another milestone in Afghanistan's journey toward WTO membership.

TRADE AND ACCESSION FACILITATION FOR AFGHANISTAN (TAFA)

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I. ACRONYMS

ABP	Afghan Border Police
ACBR	Afghanistan Central Business Registry
ACCI	Afghanistan Chamber of Commerce and Industries
ACD	Afghanistan Customs Department
AIESEC	Association Internationale des Etudiants en Sciences Economiques et Commerciales
AISA	Afghan Investment Support Agency
ANSA	Afghanistan National Standards Authority
APTO	Afghanistan Patent and Trademark Office
APTTA	Afghanistan Pakistan Transit Trade Agreement
APTTCA	Afghanistan Pakistan Transit Trade Coordinating Authority
ASMED	Afghanistan Small and Medium Enterprise Development
ASYCUDA	Automated System for Customs Data
BCP	Border Crossing Point
BMM	Border Management Model
BMTF	Border Management Task Force
CAREC	Central Asian Regional Economic Cooperation
CBTA	Cross-Border Transport of Persons, Vehicles, and Goods
CCTV	Closed-circuit television
CIU	Central Intelligence Unit
CVA	Customs Valuation Agreement
ECO	Economic Cooperation Organization
EPAA	Export Promotion Agency of Afghanistan
GAP	Good Agricultural Practices
GIRoA	Government of the Islamic Republic of Afghanistan
GSP	Generalized System of Preferences
HS	Harmonized Commodity Description and Coding System
IARCSC	Independent Administrative Reform and Civil Service Commission
ICD	Inland Clearance Depot
IMF	International Monetary Fund
IPDD	Industrial Park Development Department
IPO	Intellectual Property Office
IPPC	International Plant Protection Convention
IRU	International Road Transport Union
KIA	Kabul International Airport
LDC	Least Developed Country
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MoCI	Ministry of Commerce and Industries
MoF	Ministry of Finance
MoIC	Ministry of Information and Culture
MoJ	Ministry of Justice
MoPH	Ministry of Public Health

MoTCA	Ministry of Transport and Civil Aviation
MoWA	Ministry of Women's Affairs
NLDC	Non-Least Developed Country
NCIS	National Customs Interception and Seizure
PPP	Public Private Partnership
QICB	Quality Improvement Coordination Board
ROO	Rules of Origin
SAFTA	South Asian Free Trade Area
SATIS	South Asian Agreement on Trade in Services
SIGTAS	Standard Integrated Tax Accounting System
SPS	Sanitary and Phytosanitary
TAFA	Trade and Accession Facilitation for Afghanistan
TBT	Technical Barriers to Trade
TIR	Transports Internationaux Routiers
TRIPS	Trade-Related Aspects of Intellectual Property
TRACECA	Transport Corridor Europe-Caucasus-Asia
TSC	Trade Service Center
UNCTAD	United Nations Conference on Trade and Development
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WCO	World Customs Organization
WTO	World Trade Organization

II. INTRODUCTION

The United States Agency for International Development (USAID), in cooperation with the Government of the Islamic Republic of Afghanistan (GIROA), designed the Trade and Accession Facilitation for Afghanistan (TAFAs) project to help Afghanistan harness the trade and investment potential of its strategic location so that increased investment, exports, and market-based employment opportunities drive the country's economic growth. TAFAs was carried out by a consortium led by Chemonics International, with partners Economic Integration Forum and Overseas Strategic Consulting.

TAFAs is pleased to present this annual report covering the project's third year of activities from Nov. 18, 2011, to Nov. 15, 2012. TAFAs helped GIROA and the private sector to realize the advantages of improved trade linkages and economic integration through three components: 1) trade policy liberalization; 2) customs reform; and 3) trade facilitation.¹ TAFAs's successor project, TAFAs II, will begin on Nov. 16, 2012, and will build on the foundation laid by TAFAs. TAFAs II will further improve Afghanistan's trade environment through the same three project components.²



An Afghan boy peered over a pomegranate, one of his country's many products in high demand in international markets. TAFAs supports Afghanistan in accessing new markets for its exports and integrating the country into the global economy.

¹ At the request of USAID, TAFAs folded activities of its "Public Outreach Component" into the activities of its other three components in the spring of 2012.

² TAFAs began on Nov. 18, 2009, and will finish on Nov. 15, 2012. TAFAs II will begin on Nov. 16, 2012, and will run through Aug. 31, 2012.

The objectives of TAFAs three major components are described briefly below:

Component 1: Trade Policy Liberalization

TAFAs trade policy liberalization component supports GIRA in the complex journey toward World Trade Organization (WTO) accession and strengthens Afghanistan’s capacity to negotiate and implement regional and international trade and transit agreements.

Component 2: Customs Reform

TAFAs customs reform component assists the Afghanistan Customs Department (ACD) in reforming its procedures, structures, and management practices to align with international standards, increase revenue, and facilitate trade.

Component 3: Trade Facilitation

TAFAs trade facilitation component supports the development of public-private partnerships (PPPs), removes barriers to trade, and works to improve transport systems across Afghanistan and international trade routes.



A woman sorted nuts at a factory in Kabul. Afghanistan produces a variety of fresh and dried fruit and nuts that are in high demand abroad. TAFAs works to give Afghanistan greater access to world and regional markets.

III. OVERVIEW OF ACHIEVEMENTS

With the support of TAFE, GIRoA took significant strides toward realizing the potential of its strategic location along the historic Silk Route and opening up market opportunities for its lucrative products, ranging from pomegranates and grapes to marble and gems.



TAFE supports Afghanistan in reaping the benefits of its geography. Afghanistan sits on the famed Silk Route, and two of the world's largest countries, China and India, are neighbors.

As a result of its close partnership with TAFE, GIRoA made steady progress toward membership in the WTO, participating in its second Working Party meeting and receiving support from WTO members for a fast-tracked accession that is anticipated before the end of 2014. WTO members commended Afghanistan on its progress in trade reforms that will enable the country to align with WTO standards and will create a market-friendly environment that will spur investment and boost exports. With TAFE's support, GIRoA also resolved major trade obstacles that had surfaced under a two-year-old transit and trade agreement with neighboring Pakistan and signed two trade agreements that will enable the country to more easily access regional markets.

With TAFE's support, ACD streamlined customs procedure at trade hubs across Afghanistan, resulting in praise from traders and millions of dollars in savings. As a result of TAFE's support,

GIRoA likely³ fulfilled three International Monetary Fund (IMF) benchmarks: receiving formal approval to embark on an organizational restructuring of ACD; implementing a risk-based approach to cargo clearance; and further implementation of the Border Management Model (BMM), which is a formal partnership between ACD and the Afghan Border Police (ABP). TAFa also gained support from key stakeholders on a proposal that will enable electronic payments of customs fees, making trade easier and eliminating opportunities for corruption.



A worker at Kabul International Airport smiled as he took a break from loading imports onto a truck. TAFa supported streamlined customs procedures and a risk-based approach to clearing cargo imports at the airport.

TAFa also supported Afghanistan in its efforts to operationalize the Transports Internationaux Routiers (TIR) Convention and spread awareness of the system, which will simplify international road transport and boost trade for landlocked Afghanistan. In addition, TAFa worked closely with journalists so that they could take part in educating the Afghan public about trade and economic issues and conducted targeted trainings for businesswomen to help them contribute to Afghanistan's economic growth.

Afghanistan, with the partnership of TAFa, laid the groundwork for a transformation of its trade environment that will lead to a stronger economy and increased employment. The following is an overview of TAFa's most significant annual achievements by component:

³ GIRoA is waiting for formal confirmation from the IMF that these benchmarks have been met.

Component 1: Trade Policy Liberalization

- With TAFE's assistance, GIRA beat its target for submission of the country's initial market access offer on services, sending the complex document to WTO in June 2012 rather than the end of 2012 as the government had originally planned.
- With TAFE support, an Afghan delegation participated in Afghanistan's second Working Party meeting, during which Working Party members backed a fast-tracked accession for Afghanistan.
- As a result of TAFE's work with GIRA, the WTO published Afghanistan's Factual Summary in May 2012 before its second Working Party meeting; a Factual Summary is typically only published after an applicant country's third Working Party meeting.
- TAFE helped GIRA expand its legislative reform plan from 12 to 23 pieces of legislation that covered all systemic WTO agreements and enabled the Afghan government to send six pieces of draft legislation to the WTO Secretariat for review.
- The Afghan delegation successfully undertook complex multilateral and bilateral negotiations at the second Working Party meeting due to TAFE's intensive training.
- TAFE facilitated a study tour to Kathmandu, Nepal, for 18 Afghan officials to enable them to learn lessons from the WTO accession process of other countries.
- With TAFE support, GIRA ratified the South Asian Agreement on Trade in Services (SATIS), an agreement which focuses specifically on trade in services between its South Asian members.
- TAFE prepared an Afghan delegation for a coordination meeting on the Afghanistan Pakistan Transit Trade Agreement (APTTA). At the meeting, the Afghan and Pakistani governments agreed to major steps that will improve transit trade through Pakistan for Afghanistan's importers and exporters.
- With TAFE's guidance, Afghanistan signed the Agreement on the Cross-Border Transport of Persons, Vehicles, and Goods (CBTA) with Kyrgyzstan and Tajikistan. The CBTA facilitates easier and faster movement of goods, vehicles, and people across members' borders.
- As a result of TAFE's assistance, GIRA completed three key documents – its initial market access offer on goods, an agricultural subsidies documents, and formal replies to the questions of WTO members – well ahead of its third Working Party meeting expected in December 2012.

Component 2: Customs Reform

- In partnership with ACD, TAFE streamlined customs procedures at four additional customs locations during the reporting period, bringing the total number of sites with streamlined customs processes to seven. TAFE estimated savings of \$37.4 million for GIRA and local traders at four of these sites alone.
- With TAFE support, ACD implemented a risk management strategy at Kabul International Airport (KIA) that reduces interventions on compliant traders and more effectively targets non-compliant traders. With this activity, ACD likely fulfilled an IMF benchmark that called for the introduction of risk management to clear cargo imports.

- TAFAs began working with USAID's Financial Access for Investing in the Development in Afghanistan (FAIDA) project to develop a plan to enable the electronic payment of customs duties and taxes. TAFAs and FAIDA gained the support of key stakeholders, including ACD, the Ministry of Finance (MoF), and Da Afghanistan Bank, to proceed with this initiative.
- As a result of TAFAs' efforts, ACD received formal approval for its restructuring that will represent the largest and most comprehensive restructuring of an Afghan government department in the last five years. The approval likely enabled Afghanistan to meet another IMF benchmark.
- TAFAs developed a salary improvement proposal for a percentage of ACD's revenue to be paid into a customs trust fund. If revenue exceeds the target, extra funds can be distributed as performance bonuses and education allowances. Recognizing its potential to motivate employees and stem corruption, Afghanistan's Independent Joint Anti-Corruption Monitoring and Evaluation Committee supported the proposal.
- TAFAs, with the assistance of the Border Management Task Force (BMTF), supported the implementation of the Border Management Model (BMM) at two additional border crossing points. The rollout likely enabled Afghanistan to reach a third IMF benchmark.

Component 3: Trade Facilitation

- TAFAs took an active part in updating Afghanistan's plan to operationalize the TIR system and educate stakeholders on the TIR convention through three workshops for the public and private sector in Kabul, Herat, and Mazar-i Sharif.
- The TAFAs-supported Trade Service Centers (TSCs) organized trade circles on an almost weekly basis to allow businesspeople to learn about export markets, build on each other's business ideas, share trade-related challenges, and identify solutions. TAFAs developed a website to support the TSCs and provide up-to-date information on trade issues and is in the process of transferring ownership of this website to ACCI for ongoing development.
- TAFAs signed an agreement to support the Economic Press Club, which TAFAs created in 2010 to improve the country's trade and economic reporting. With TAFAs' support, the Economic Press Club held five of its 17 media events during the reporting period.

The following section provides details on the activities of each of TAFAs' three components.

IV. COMPONENT 1: TRADE POLICY LIBERALIZATION

This section of the annual report provides details on major initiatives under TAFAs trade policy liberalization component, which is working with the Afghan government to improve opportunities for Afghan businesses, create jobs, and facilitate trade through on-the-job training, institutional coordination, and negotiation and implementation of bilateral, regional, and international trade

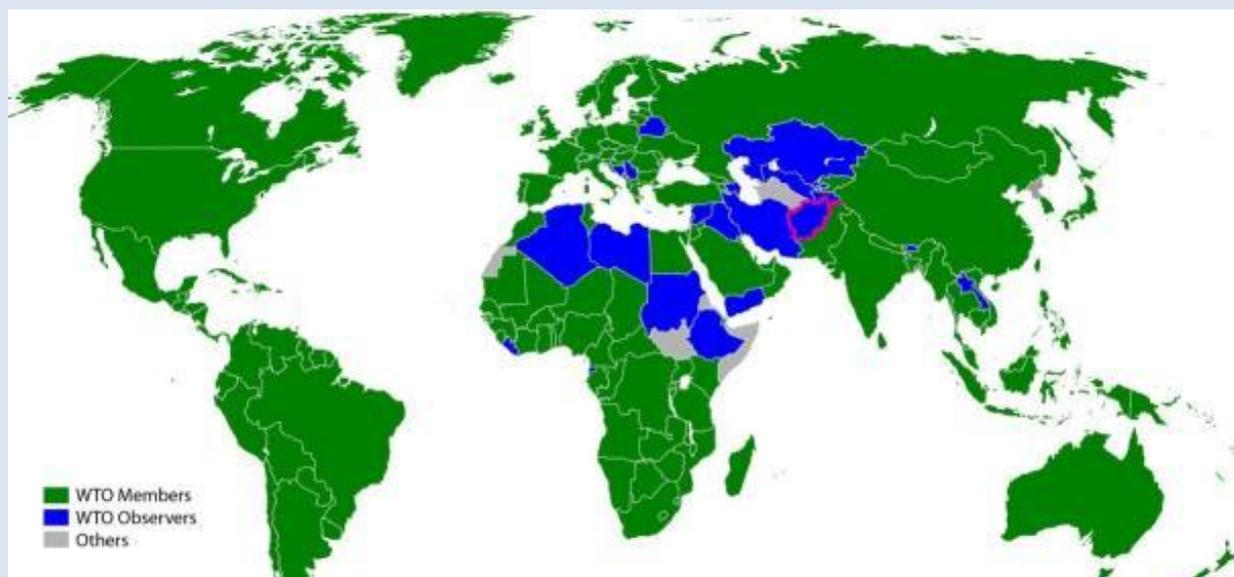
AFGHANISTAN AND THE WTO IN BRIEF

Most of the world already belongs to the WTO. With TAFAs support, Afghanistan is well on its way to joining the global trading organization. WTO agreements reflect best business practices and promote transparency and cost-efficiency, while the WTO Secretariat provides a forum for negotiations and dispute resolutions. To accede to the WTO, Afghanistan must, like members, reflect WTO rules in its laws, eliminate WTO inconsistencies, and make binding commitments that facilitate trade.

Afghanistan submitted its application for WTO accession in November 2004 and was granted observer status in December 2004. Observer status allows an acceding country to observe WTO proceedings without the right to intervene in debate or take part in making decisions.

Afghanistan only began making rapid progress toward WTO accession since TAFAs started in late 2009. As a result of TAFAs support, the WTO now supports a fast-tracked accession for Afghanistan in acknowledgement of the commitment demonstrated by GIRoA and its progress in the necessary trade-related reforms. Afghanistan, with the assistance of TAFAs, aims to accede to the WTO before the end of 2014.

The process of WTO accession is lengthy and complex, but drives broad legal and institutional reforms that will improve the business environment and the competitiveness of Afghanistan. The process of WTO accession creates an environment conducive to trade, builds capacity within a variety of institutions, and encourages partnership between the private and public sectors.



and transit agreements. Tafa is leading the overhaul of Afghanistan's legal and regulatory trade framework to prepare for the country's accession to the WTO.

a. WTO Working Party Meetings

Following receipt of a country's application for membership, the WTO establishes a Working Party to examine the country's accession request and to follow the country's journey to accession. The Working Party meets periodically throughout the applicant country's accession process and is open to all WTO members. The Working Party allows members to conduct negotiations and reach agreements on the terms of the country joining the WTO. The Working Party ultimately submits its findings on the applicant country to the WTO General Council for approval. Afghanistan had its first Working Party meeting in January 2011.



Tafa works closely with the Afghan government to prepare for the country's Working Party meetings, during which WTO members can evaluate Afghanistan's progress on trade-related reforms and conduct negotiations on the terms of Afghanistan joining the organization.

Preparation for Second Working Party Meeting

In order to proceed successfully from Working Party meeting to Working Party meeting, a country must prepare required documents that help clarify its current trade regime and changes underway to reform that regime to meet WTO standards. Tafa provided significant support to help Afghanistan prepare for its second Working Party meeting, which was held in June 2012, on the following key documents.

Factual Summary

In preparation for Afghanistan's second Working Party meeting, the WTO Chairperson of Afghanistan's Working Party had requested that the WTO Secretariat prepare Afghanistan's Factual Summary. The Factual Summary is an overall summary of Afghanistan's progress to date and is based on Afghanistan's formal replies to questions from Working Party members, discussions held during the first Working Party meeting, and information in Afghanistan's Memorandum on its Foreign Trade Regime, a document that Afghanistan submitted in March 2009 that described all aspects of its trade and legal regime.

While the WTO publishes the Factual Summary, the acceding country is responsible for updating the document and ensuring its accuracy. TAFE assisted the Ministry of Commerce and Industries (MoCI) in reviewing the initial draft Factual Summary prepared by the WTO and making a large number of improvements and updates which were accepted by the WTO Secretariat. In order to complete the Factual Summary, TAFE supported MoCI in working with different ministries and stakeholders, including the Ministry of Finance (MoF), the Ministry of Information and Culture (MoIC), the Ministry of Agriculture, Irrigation and Livestock (MAIL), the Ministry of Public Health (MoPH), the Afghanistan Investment Support Agency (AISA), the Afghanistan National Standards Authority (ANSA), and ACD.

As a result of TAFE's support to the Afghan government in preparing the document, the WTO published Afghanistan's Factual Summary in May 2012, much earlier than usual in the accession process; a Factual Summary is typically only published after an applicant country's third Working Party meeting. The Factual Summary served as a basis for negotiations during Afghanistan's second Working Party meeting.

Initial market access offer on services

Market access for goods and services in the WTO refers to the extent to which an imported good or service can compete in another country with the goods or services made in that country. Market access in the WTO refers to tariffs and non-tariff measures in the case of goods, such as agricultural and industrial items, and regulations and conditions in the case of services, such as banking and telecommunications. Acceding countries submit their initial market access offers on goods and services to the WTO for review by WTO members.

The process of preparing initial market access offers on goods and services is complicated and lengthy, requiring in-depth understanding of forms, formalities, and negotiations as well as intense consultations with stakeholders. To facilitate the preparation of the initial market access offers on services, TAFE provided extensive training throughout 2012 to assist public and private stakeholders in understanding the required forms, formalities, and service negotiations; WTO's General Agreement on Trade in Services (GATS); commitments and expectations of other WTO countries; and international trends in a wide array of services such as banking, insurance, telecommunications, transport, tourism, and service sub-sectors.

TAFE supported MoCI in finalizing Afghanistan's initial market access offer on services through on-the-job training, extensive consultations with ministries and the private sector, as well as a three-week workshop for Afghan officials in March 2012 in Tajikistan. TAFE worked with Afghan officials during the workshop to complete the initial services offer, including the horizontal section – which contains items that apply across all sectors – and sector-specific sections – which contain items that apply only to a particular service.

As a result of TAFE's efforts, the Afghan government beat its target for submission of the services offer, sending the complex document to the WTO in June 2012 rather than at the end of 2012 as the government had originally planned. WTO Working Party members welcomed

Afghanistan's initial market access offer, and Afghanistan held a first round of bilateral negotiations on services with the United States in Geneva based on this initial offer.



TAFa supported an Afghan team in developing Afghanistan's initial market access offer on services, necessary for WTO accession, during a three-week workshop in Tajikistan.

In addition to Afghanistan's Factual Summary and its initial market access offer on services, TAFa supported the Afghan government in completing an array of other documents required by the WTO ahead of its second Working Party meeting. TAFa assisted the Afghan government in providing formal replies to the questions of WTO members regarding its trade regime; preparing documents related to technical barriers to trade, sanitary and phytosanitary measures, intellectual property, customs valuation, and import licensing; and conducting a survey on price controls on Afghanistan's goods and services.

Preparatory meetings ahead of second Working Party

In preparation for Afghanistan's second Working Party meeting, TAFa conducted a roundtable in June 2012 for MoCI's Deputy Minister of Trade Mozammil Shinwari and other members of the Afghan delegation that would be participating in the high-level meeting.

At the roundtable, TAFE reviewed topics that were to be covered during the Working Party meeting as well as the procedures and formalities involved in such meetings. TAFE also outlined the responsibilities of each of the members of the delegation and encouraged them to review the draft laws that had been prepared by their ministries prior to the second Working Party meeting. In addition, TAFE developed several documents for participants, including Working Party meeting formalities and procedures and questions that could be raised by members.



Deputy Minister of Commerce and Industries Mozammil Shinwari spoke at a meeting coordinated by TAFE to prepare for Afghanistan's second Working Party meeting at the WTO in Geneva.

TAFE conducted another session with the Afghan negotiations team in Geneva prior to the Working Party meeting to prepare them for the complicated multilateral and bilateral negotiations that they would take part in during the meeting.

Support to Second Working Party Meeting

With technical and logistical support from TAFE, the Afghan delegation, headed by MoCI's Deputy Minister Shinwari, participated in Afghanistan's second Working Party meeting at WTO headquarters in Geneva, Switzerland, on June 18.

About 30 WTO members, including China, the European Union, the United States, India, and Pakistan, participated in the second Working Party meeting. During the meeting, the Working Party members said they supported an early accession for Afghanistan. Working Party members said they were impressed with the performance of the Afghan delegation during the meeting and highlighted the country's progress over the last year to implement reforms.

HIGHLIGHTS OF AFGHANISTAN'S SECOND WORKING PARTY MEETING

- Working Party members backed a fast-tracked accession for Afghanistan.
- The WTO published Afghanistan's Factual Summary in May 2012 before its second Working Party meeting; a country's Factual Summary is typically only published before its third Working Party meeting.
- Afghanistan submitted its initial market access offer on services in June 2012 for review at its second Working Party meeting, well before its original target of the end of 2012.
- The Chairperson of the Working Party requested Afghanistan's Factual Summary be turned into the Elements of Draft Working Party Report, usually only prepared after the fourth Working Party meeting.
- Working Party members commended Afghanistan on its progress since its last Working Party meeting in January 2011.
- Deputy Minister Shinwari highlighted the expansion of Afghanistan's legislative reform plan from 12 to 23 pieces of legislation, covering all systemic WTO agreements.
- Afghanistan conducted its first bilateral negotiations in a meeting held with the United States on the sidelines of the Working Party meeting.
- The Afghan delegation successfully undertook complex multilateral and bilateral negotiations at the Working Party meeting due in part to intensive training conducted by TAFE since the project's start.

During the meeting, the Working Party Chairperson requested that the WTO Secretariat turn Afghanistan's Factual Summary into the Elements of Draft Working Party Report, which incorporates Afghanistan's Factual Summary, its Memorandum on the Foreign Trade Regime, Afghanistan's answers to the latest questions from WTO members, and commitments Afghanistan makes to remove WTO inconsistencies.

The request for preparation of the Elements of Draft Working Party Report marked another achievement for Afghanistan and another sign of WTO members' desire to fast-track Afghanistan's accession as the report is usually prepared after the fourth Working Party meeting.

On the sidelines of the Working Party meeting, Afghanistan held its first meeting on WTO bilateral negotiations with the United States focusing on trade in services.



Members of the Afghan delegation, on the right side of the room and at the head at the table, and U.S. representatives, on the left side of the room, conducted bilateral negotiations on the sidelines of the second Working Party meeting. This marked Afghanistan's first bilateral negotiations regarding WTO.

Preparation for Third Working Party Meeting

During the second Working Party meeting, Afghanistan's third Working Party meeting was tentatively scheduled for December 2012. TAFa continued its close partnership with the Afghan government to prepare for the meeting and speed the process toward accession.

The Afghan government must meet several objectives before its third Working Party meeting, including – among other activities – submitting three key documents: answers to questions of WTO members, its initial market access offer on goods, and a document detailing its agricultural subsidies. In addition, the Afghan government aims to show a formal commitment to establishing enquiry and notification points related to technical barriers to trade, food safety, and animal and plant health and continue its legislative reforms. TAFa supported Afghanistan in meeting its objectives with the following activities.

Answer to questions of WTO members

WTO accession involves member countries asking questions and obtaining clarifications on the applicant country's trade policies and institutions to ensure they are in conformity with WTO. TAFa worked closely with the Afghan government to answer questions raised by WTO members following the country's second Working Party meeting in June 2012.

Chinese Taipei, Australia, the United States, and the European Union submitted more than 140 written questions for the Afghan government following its second Working Party meeting. Some of the questions concerned the Afghan government's price controls on certain goods and services such as electricity and water, the possible redundancy of issuing importers both licenses and permits, and the different taxes the Afghan government places on imports and how they will be reformed to align with WTO standards.

TAFa worked closely with the MoCI, MAIL, MoF, MoPH, ACD, AISA, and other relevant organizations to answer the questions. With TAFa support, Afghanistan finalized the replies to the questions and submitted them to the WTO in October 2012. The WTO Secretariat began using the replies to convert Afghanistan's Factual Summary into the Elements of Draft Working Party Report.

Initial market access offer on goods

At its second Working Party meeting, the Afghan government reiterated its intent to submit its initial market access offer on goods by the end of 2012. In Afghanistan, the two primary categories under the offer are agricultural goods and industrial goods.

Throughout 2012, TAFa held multiple roundtable discussions, working groups, and awareness sessions with the private and public sectors to educate them on the offer, solicit input for constructing the goods offer, and determine the maximum bound tariff rate, or the tariff that Afghanistan commits not to exceed, on industrial and agricultural goods.

With TAFa support, the Afghan government completed preparation of



In October 2012, TAFa organized a review of Afghanistan's initial market access offer on goods, which is a vital part of the country's accession to the WTO.

the initial market access offer on goods in October 2012. The goods offer included current tariff rates, bound tariff rates, and dates of implementation for the bound rates for more than 5,000 items, including agricultural items such as live animals, meat, seeds, milk, fruit, and vegetables as well as industrial items such as minerals, fuels, textiles, and carpets.

As a result of a series of working groups involving key ministries and stakeholders from the private sector, Afghanistan finalized its initial offer on goods. The offer has been submitted to the Economic Committee of the Council of Ministers for formal approval prior to submission to the WTO, which is anticipated in November 2012.

Agricultural subsidies document

The main form for launching agricultural plurilateral negotiations under WTO is called “WT/ACC/4: Information to be Provided on Domestic Support and Export Subsidies in Agriculture.” The form enables the classification and quantification of agricultural subsidies in the acceding country.

Under the document, agricultural subsidies are categorized with the help of “boxes”, which are given the colors of traffic lights. For agriculture, all domestic support measures considered to distort production and trade, with some exceptions, fall into the “amber box”; the total value of these distortive subsidies measures must be reduced and kept within a limit to be agreed upon during negotiations. To qualify for the “green box”, a subsidy must not distort trade, or at most cause minimal distortion. The “blue box” is an exemption from the general rule that all subsidies linked to production must be reduced or kept within a defined minimal level. These subsidies may be maintained for a temporary period to achieve certain legitimate objectives as agreed upon by WTO members, such as achieving food security or limiting production of a crop to protect the environment.

To facilitate the preparation of WT/ACC/4, TAFE provided in-depth training throughout 2012 to assist stakeholders in understanding the WTO Agriculture Agreement, the WT/ACC/4 format and related terminology, the classification of subsidies, and the process of agricultural negotiations. TAFE conducted multiple seminars for the MAIL, Ministry of Counter Narcotics, MoCI, and MoF, and TAFE held meetings with representatives of the most important agricultural projects in Afghanistan to gather data on agricultural support and subsidies. TAFE assisted the Afghan government in finalizing the document, which the MoCI submitted to the WTO Secretariat in October 2012.

Beyond these three key documents to prepare for the third Working Party meeting, TAFE supported Afghanistan in demonstrating a commitment to establishing notification and enquiry points and furthering the legislative reform process.

Notification and enquiry points

TAFE began supporting Afghanistan in the establishment of national notification and enquiry points that will enable Afghanistan to notify WTO members of changes in measures related to

technical barriers to trade, food safety, and animal and plant health and to respond to requests for information on such measures.

TAFA held multiple workshops and working group meetings on establishing a sanitary and phytosanitary (SPS) enquiry and notification point at the MAIL. Under WTO's Agreement on SPS Measures, a member government is required to notify other countries of new or changed SPS measures and must respond to requests for information on new or existing measures regarding SPS regulations, control, and inspection procedures, quarantine treatment, and other topics related to food safety and animal or plant health.

TAFA also held multiple workshops and working group meetings on establishing the Technical Barriers to Trade (TBT) enquiry and notification point at ANSA. Under the WTO Agreement on TBT, a member government is required to notify other countries of new or changed TBT-related measures and must respond to requests for information on new or existing TBT-related measures such as technical regulations, standards, and conformity assessment procedures.



TAFA conducted a workshop on the establishment of a national enquiry and notification point on technical barriers to trade that will fulfill a WTO requirement.

With TAFA support, the Afghan government will be able to show its progress in establishing the TBT and SPS enquiry and notification points at its third Working Party meeting expected in December 2012.

Legislative reforms

Before its third Working Party meeting, Afghanistan must continue major legal reforms as part of the accession process. In order to become a WTO member, an acceding country must adjust its national laws and regulations, mainly those related to customs, foreign trade, food safety, animal and plant health, investment, and intellectual property, for conformity with WTO

agreements. WTO Working Party members expect full compliance, as well as enforcement infrastructure, prior to accession in legal areas related to trade policy.

Throughout the reporting period, TAFE continued to work with Afghanistan to bring its laws in line with WTO agreements, which represent best international practices, and to eliminate unjustifiable non-tariff and administrative barriers to trade. This process establishes an attractive trade and investment environment that reduces the cost of doing business for producers and service providers and encourages investment in Afghanistan.

During 2012, TAFE supported the Afghan government in expanding its legislative reform plan from 12 to 23 pieces of legislation, covering all systemic WTO agreements. Throughout the year, TAFE held multiple roundtable discussions, inter-ministerial working groups, and seminars to support the Afghan government in preparing new draft legislation, revising existing legislation, finalizing legislative documents, and raising awareness of the legislation among stakeholders.

During the reporting period, the Afghan government sent 10 pieces of draft legislation to the WTO Secretariat for its review. Attached to these drafts, TAFE assisted the relevant ministries in preparing conformity charts that showed how the legislation fulfilled WTO requirements.

The below table outlines the status of the major pieces of legislation according to Afghanistan's WTO action plan as of Oct. 31, 2012:

AFGHANISTAN'S LEGISLATIVE ACTION PLAN				
No.	Legislation	WTO Agreement	Responsible Party	Status as of Oct. 31, 2012
1	Law on Plant Protection and Quarantine (new law)	SPS	MAIL	<ul style="list-style-type: none"> Minor amendments being introduced to draft Draft to be resent to WTO in Nov. 2012 Draft to be sent to Ministry of Justice (MoJ) in Nov. 2012
2	Law on Animal Health and Veterinary (new law)	SPS	MAIL	<ul style="list-style-type: none"> Additional non-WTO amendments introduced in Sept. 2012 Draft to be resent to WTO in Nov. 2012 Draft to be sent to MoJ in Nov. 2012
3	Law on Food Safety (new law)	SPS	MoPH, MAIL	<ul style="list-style-type: none"> Draft at MoJ
4	Law on Standards and Technical Regulations (new law)	TBT	ANSA	<ul style="list-style-type: none"> Minor amendments being introduced to draft Draft to be resent to WTO in Nov. 2012 Draft to be sent to MoJ in Nov. 2012
5	Amendments to the 2005 Customs Law	Customs Valuation Agreement (CVA) Rules of Origin (ROO)	ACD	<ul style="list-style-type: none"> Minor WTO amendments introduced to the draft in early Oct. 2012 Additional non-WTO related amendments being introduced Draft to be resent to WTO in Nov. 2012 Draft to be sent to MoJ in Nov. 2012
6	Regulations on	CVA	ACD	<ul style="list-style-type: none"> Draft finalized at ACD

AFGHANISTAN'S LEGISLATIVE ACTION PLAN

No.	Legislation	WTO Agreement	Responsible Party	Status as of Oct. 31, 2012
	CVA Interpretative Notes			<ul style="list-style-type: none"> • Draft to be sent to WTO in Nov. 2012 • Draft to be sent to MoJ in Nov. 2012
7	Order on Advance Origin Rulings	ROO	ACD	<ul style="list-style-type: none"> • Draft finalized at ACD • Draft to be sent to WTO in Nov. 2012
8	Order on Intellectual Property Border Enforcement	Trade-Related Aspects of Intellectual Property Rights (TRIPS)	ACD	<ul style="list-style-type: none"> • Draft finalized at ACD • Draft to be sent to WTO in Nov. 2012
9	Amendments to the Law on Supporting the Rights of Inventors and Discoverers of April 2009 (patents law)	TRIPS	MoCI	<ul style="list-style-type: none"> • Minor amendments being introduced to the draft • Draft to be resent to WTO in Nov. 2012 • Draft to be sent to MoJ in Nov. 2012
10	Amendments to the Law on Trade Marks Registration of September 2009	TRIPS	MoCI	<ul style="list-style-type: none"> • Minor amendments being introduced to the Draft • Draft to be resent to WTO in Nov. 2012 • Draft to be sent to MoJ in Nov. 2012
11	Amendments to the Law on Supporting the Right of Authors, Composers, Artists, and Researchers of July 2008 (copyrights law)	TRIPS	MoIC	<ul style="list-style-type: none"> • Significant amendments introduced to the draft in Sept. 2012 • Draft to be resent to WTO in Nov. 2012 • Draft to be sent to MoJ in Nov. 2012
12	Law on Geographical Indications (new law)	TRIPS	MoCI	<ul style="list-style-type: none"> • Minor amendments being introduced to the draft • Draft to be resent to WTO in Nov. 2012 • Draft to be sent to MoJ in Nov. 2012
13	Law on Industrial Designs (new law)	TRIPS	MoCI	<ul style="list-style-type: none"> • Cosmetic amendments being introduced to draft • Draft to be resent to WTO in Nov. 2012 • Draft to be sent to MoJ in Nov. 2012
14	Draft amendments to the Civil Procedure Code (Chapter Three) of August 1990	TRIPS	MoCI	<ul style="list-style-type: none"> • Draft to be sent to MoJ in Nov. 2012
15	Law on Trade Secrets (law on undisclosed information) (new law)	TRIPS	MoCI	<ul style="list-style-type: none"> • Preliminary draft prepared • Draft to be finalized at MOCI in Dec. 2012 • Draft to be sent to WTO by end of 2012
16	Law on Topography of Integrated Circuits (new law)	TRIPS	MoCI	<ul style="list-style-type: none"> • Preliminary draft prepared • Draft to be finalized at MOCI in Dec. 2012 • Draft to be sent to WTO by end of 2012

AFGHANISTAN'S LEGISLATIVE ACTION PLAN				
No.	Legislation	WTO Agreement	Responsible Party	Status as of Oct. 31, 2012
17	Law on Unfair Competition (new law)	TRIPS	MoCI	<ul style="list-style-type: none"> • Preliminary draft prepared • Draft to be finalized at MoCI in Dec. 2012 • Draft to be sent to WTO by end of 2012
18	Law on Optical Disks (new law)	TRIPS	MoIC	<ul style="list-style-type: none"> • Model draft law prepared • Finalize draft for submission to WTO by March 2013
19	Law on Plant Variety Protection (new law)	TRIPS	MAIL	<ul style="list-style-type: none"> • Model draft law prepared • Finalize draft for submission to WTO by March 2013
20	Amendments to the Law on Publication and Enforcement of Legislation of 1998	General provisions on transparency	MoCI, MoJ	<ul style="list-style-type: none"> • Draft prepared and agreed with MoJ • Draft ready to be resent to WTO in Nov. 2012
21	Amendments to the Regulation on Legislative Drafting Procedure	General provisions on transparency	MoCI, MoJ	<ul style="list-style-type: none"> • Draft prepared and agreed with MoJ • Draft ready to be resent to WTO in Nov. 2012
22	Law on Foreign Trade in Goods (new law)	GATT and import licensing procedures	MoCI	<ul style="list-style-type: none"> • Initial draft prepared • Draft to be finalized at MOCI in Dec. 2012 • Draft to be sent to WTO by end of 2012
23	Law on Safeguards (new law)	Agreement on Safeguards	MoCI	<ul style="list-style-type: none"> • Initial draft to be completed in Nov. 2012 • Draft to be finalized at MoCI during first quarter 2013 • Draft to be sent to WTO by March 2013

In addition to the above, TAFE conducted assessments of other trade and WTO-related laws and provided conceptual and legal recommendations for improving these laws and ensuring compliance with WTO. TAFE also assisted in the development of regulations for legislation, including intellectual property and copyrights.

b. WTO Awareness and Capacity Building

Since WTO accession requires collaboration among numerous entities and an in-depth knowledge of the accession process, TAFE organized a WTO study tour and held a series of seminars throughout the year to raise awareness among stakeholders of the importance of WTO accession and to underscore the need for participation from all sectors.

WTO Study Tour

In order to enable Afghan officials to learn from the WTO accession process of other countries, TAFE facilitated a study tour to Kathmandu, Nepal, in January 2012, for a delegation that included MoCI Deputy Minister Shinwari and 17 other officials.

Nepal offered the Afghan team a prime opportunity to learn more about the accession process of a least-developed country (LDC). Like Afghanistan, Nepal is recognized as an LDC by the WTO. Both countries have an economy based on agriculture, are landlocked, are members of SAFTA, and are similar in size and population. Both are undergoing transitions, with Afghan forces taking over from international forces and with a new Nepalese government settling in. Nepal joined the WTO in 2004, and, that same year, Afghanistan was granted WTO observer status.

The study tour provided the Afghan delegation with the opportunity to meet with Nepalese officials and stakeholders to learn from their experiences in the multilateral trading system. The Afghan delegation met with all relevant ministries and stakeholders, including the Ministry of Commerce and Supplies, the Ministry of Agriculture, the Ministry of Finance, the Ministry of Transport, the Central Bank of Nepal, the Nepal Standards Bureau, the Nepal Customs Department, and members of Nepal's private sector. The team also met with the Minister and Deputy Minister of Commerce and Supplies of Nepal.



With TAFE support, an Afghan delegation visited Nepal to learn about the country's experiences in acceding to the WTO.

In addition, the team visited Nepal's SPS and TBT enquiry and notification points and a number of laboratories to learn about the measures that Nepal has in place to ensure food safety and product quality to protect its citizens and to open access to world markets.

The tour strengthened Afghanistan's commitment to

engage in the WTO accession process. Afghan officials used the knowledge to develop a strategy for the many bilateral negotiations involved in WTO accession.

Training

WTO accession requires intensive collaboration among numerous public and private entities. TAFE continued its efforts to build knowledge and awareness of the WTO and Afghanistan's accession process to increase coordination and support among the Afghan government, the private sector, and the Afghan public.

TAFa held multiple seminars and roundtables throughout the year with key public and private stakeholders to build knowledge of WTO, including the organization, accession process, requirements, required legislation, impact, challenges, opportunities, and experiences of other countries. The seminars and roundtables not only built awareness, but provided a forum for consultations among stakeholders.



TAFa conducted a seminar on economic aspects of the safeguards law for economic faculty and students of Kabul University. The safeguards law protects an industry from an unexpected and harmful buildup of imports.

From November 2011 to October 2012, TAFa conducted 51 training workshops, covering WTO as well as other trade-related issues. That exceeded the target of 33 training workshops planned for the project's third year. The project trained 1,273 people during this period. Sixty-three percent of the participants were male, and 38 percent were female. Sixty-seven percent of all participants were non-government employees, while 33 percent were government employees.

c. Bilateral and Regional Integration Initiatives

With technical assistance from TAFa, Afghanistan signed regional trade agreements that are facilitating exports. TAFa is working closely with the Afghan government to implement the agreements and to educate stakeholders about the specifics, significance, and benefits of these agreements. In partnership with the Afghan government, TAFa is also pursuing other regional trade agreements that will open up trading opportunities and boost the Afghan economy.

SAFTA

TATA facilitated the ratification of the South Asian Free Trade Area (SAFTA) agreement in January 2011. SAFTA came into effect on August 7, 2011. SAFTA provides access for Afghan exports to the markets of the other SAFTA signatories who are also members of the South Asian Association for Regional Cooperation (SAARC).

MEMBERS OF THE SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION



SAFTA is paving the way for zero to five percent tariffs to India and six other South Asian countries for all Afghan exports not on the countries' sensitive lists, which are lists of products of special interest to individual member countries that are exempted from low SAFTA tariffs. The SAARC members can have different lists for LDCs, which include Afghanistan, Bangladesh, Bhutan, Maldives, and Nepal, and Non-Least Developed Countries (NLDCs), which are India, Pakistan, and Sri Lanka.

The new sensitive lists for SAARC countries came into effect in January 2012, leading to greater liberalization of trade among the countries. India reduced its sensitive list for Afghanistan and other LDCs by almost 95 percent, from 480 items to only 25 (tobacco and alcohol products) – making all of Afghanistan's traded goods into the country duty free.

NEW SENSITIVE LIST FOR SAARC MEMBERS AS OF JANUARY 2012			
Member state	Number of products in prior sensitive lists	Number of products in revised sensitive lists	Percent reduction
Afghanistan	1,072	850	21%
Bangladesh	1,233 for LDCs 1,241 for NLDCs	987 for LDCs 993 for NLDCs	20% 20%
Bhutan	150	150	0%
India	480 for LDCs 868 for NLDCs	25 for LDCs 695 for NLDCs	95% 20%
Maldives	681	152	78%
Nepal	1,257 for LDCs 1,295 for NLDCs	998 for LDCs 1,036 for NLDCs	21% 20%
Pakistan	1,169	936	20%
Sri Lanka	1,042	845 for LDCs 906 for NLDCs	19% 13%

The reduction of India's sensitive list could reduce expenses for Afghan exporters by an estimated \$15 million a year. One quarter of Afghanistan's exports go to India. Fruit, nuts, and raisins comprise more than 95 percent of the exports. With India's recent trade liberalization efforts, Afghanistan's fruit and nut exports to India could rise by 13 percent and raisin exports could jump by more than 20 percent.

In early June 2012, TAFa conducted a working group meeting to further reduce Afghanistan's sensitive list. Participants included the Central Statistics Organization (CSO), the Afghanistan Chamber of Commerce and Industries (ACCI), ACD, MAIL, MoCI, the Export Promotion Agency of Afghanistan (EPAA), and Da Afghanistan Bank. Participants agreed to remove additional items from Afghanistan's sensitive list. On June 18, 2012, TAFa and MoCI participated in a SAARC workshop on the reduction of sensitive lists at the SAARC Secretariat in Kathmandu, Nepal, and reported on its intent to further reduce its sensitive list of goods.

SATIS

With TAFa support, Afghanistan became a signatory of SATIS in April 2010. SATIS is an agreement which focuses specifically on trade in services between the SAARC members.

TAFa worked with MoCI throughout the reporting period to promote the need for SATIS ratification and held multiple meetings to educate stakeholders on SATIS and its benefits. TAFa completed preparation of an analytical paper on SATIS which highlighted the potential benefits. MoCI used the paper to develop talking points and policy notes to advance the ratification of SATIS and educate stakeholders about SATIS and its importance.

The Ministry of Foreign Affairs finalized the SATIS agreement and sent it to the Cabinet in January 2012. The Cabinet sent the SATIS agreement to Parliament in April 2012, and the Lower House and Upper House ratified the agreement in September 2012.

APPTA

APTTA, signed in October 2010, links Afghanistan to the world via three Pakistani seaports, Karachi, Qasim, and Gwadar, where Afghan trucks can load goods and return with imports from Pakistan or third countries. APTTA also allows Afghan exports to India through Wagah and to China through Sost. TAFAs had provided support to the Afghan government in negotiating the agreement, encouraged ratification of the agreement, and facilitated implementation of APTTA, which replaced an outdated 1965 transit agreement.

MAIN TRADE HUBS UNDER THE AFGHANISTAN PAKISTAN TRANSIT TRADE AGREEMENT (APTTA)



During 2012, TAFE researched challenges that Afghan traders faced under APTTA in an attempt to find solutions that would facilitate proper implementation of the agreement. Afghan exporters said they were facing excessive transportation charges due to a monopoly in bonded carrier trucks. In addition, they said that the vast majority of their sealed containers were being examined, resulting in delays of up to 15 days. The exporters also said that Afghan truckers often cannot afford bank guarantees and thus are not permitted to reach Pakistani ports, but Pakistani trucks without bank guarantees are allowed to reach any location in Afghanistan.

On Oct. 11-12, 2012, Deputy Minister of Commerce and Industries Shinwari headed an Afghan delegation of eight other government officials, two top traders, and a TAFE representative who participated in the third meeting of the Afghanistan Pakistan Transit Trade Coordinating Authority (APTTC), established to oversee implementation of APTTA. TAFE supported the preparation of the agenda and a position paper. At the third meeting, the Afghan and Pakistani governments agreed to major steps that will improve transit trade through Pakistan for Afghanistan's importers and exporters under APTTA.

"We don't say our problems are solved 100 percent, but our problems with Pakistan are solved seventy percent," said Minister of Commerce and Industries Anwar ul-Haq Ahady to local journalists at a press conference he held following the meeting. "There are one or two small issues that are to be considered in a few months at the next meeting."

In the first major decision made at the meeting, Pakistan agreed to allow Afghan trucks carrying fresh and dried fruit for export to drive to Wagah, located on Pakistan's border with India, with a letter of guarantee from Afghanistan's Ministry of Transport and Civil Aviation (MoTCA) stating that the vehicles will return to Afghanistan within a stipulated time.

This decision enables Afghanistan to export its fresh and dried fruit to the lucrative market of India without the costly bank guarantees that had originally been required under APTTA. Afghan and Pakistani banks were often unwilling to provide the bank guarantees for Afghan trucks due to the perceived high risk. With many traders and truckers lacking those bank guarantees, the fruit had to be unloaded from an Afghan truck and loaded onto a Pakistani truck in Peshawar or Chaman, both of which are located in Pakistan near its border with Afghanistan. This wasted time and money for traders.

In the second major development, Pakistan agreed to accept the T-1 form, which is a transit form for goods, and to accept a certificate issued by Afghan customs as a declaration of goods that will allow Pakistan to release an insurance guarantee. Under APTTA, authorized agents, such as shippers and brokers, provide insurance guarantees to pay customs duties and taxes for transiting imports through Pakistan or Afghanistan. These guarantees are released once transit imports exit the transit country. This latest decision by Pakistan will lead to a quicker release of insurance guarantees and speed the import of vital goods from third countries into Afghanistan.



Dr. Anwar ul-Haq Ahady, the Minister of Commerce and Industries, spoke to local journalists in October about the high-level trade meeting between Pakistan and Afghanistan. Deputy Minister of Trade Mozammil Shinwari (right) and Transit Director Sayed Yahya Akhlaqi (left) also addressed the media.

Finally, Pakistan and Afghanistan agreed to extend the time period on a Temporary Admission Document, called a TAD, for transport vehicles from 15 days to 30 days. This will give Afghan trucks more time to complete roundtrips to the major trading hubs of Pakistan.

In his inaugural address at the third APTTCA meeting, Mr. Munir Ahmed Qureshi, the co-chair of APTTCA and the Secretary of Pakistan's Ministry of Commerce, said Pakistan places the utmost importance on its relations with Afghanistan. He said Afghanistan is a major trading partner of Pakistan and highlighted that trade between the two countries increased three-fold during the last five years. He added that he hopes APTTA will usher in an era of peace and stability in the region and prove to be a vehicle for economic development for the two countries.

In his opening remarks, Deputy Minister Shinwari stated that both countries enjoy a rich history of trade and economic relations. He stressed the need for a simplified mechanism to ensure smooth transit trade. He stated that mutual cooperation in trade would benefit the people of both countries and is an essential ingredient to regional stability.

CAREC-CBTA

In November 2011, Afghanistan signed the CBTA with Kyrgyzstan and Tajikistan under the framework of the Central Asian Regional Economic Cooperation (CAREC) framework. TAFE provided guidance and support in this process including highlighting the benefits of the CBTA,

summarizing the requirements for implementing this agreement, and advising on the most appropriate instrument for accession to this agreement.

The CBTA, which Kyrgyzstan and Tajikistan joined at the end of 2010, is a program to facilitate easier and faster movement of goods, vehicles, and people across international borders. The CBTA gives participating countries access to streamlined customs inspections protocols and reduced obligations, such as the need to transfer shipments between vehicles at border crossings.

CAREC's signatories include Afghanistan, Azerbaijan, China, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

TRACECA

The Transport Corridor Europe-Caucasus-Asia (TRACECA) is a European Union-funded technical assistance program for the development of the transport corridor between Europe and Asia across the Black Sea region, Caucasus, and Central Asia. Throughout the second half of 2012, TFAA worked with the Ministry of Foreign Affairs to follow up on Afghanistan's application for TRACECA membership submitted in 2005 to determine if it is necessary to resubmit the application.

TFAA also conducted an in-depth analysis between transport routes to and from Afghanistan to link the country to TRACECA. According to TFAA's analysis, Turkmenistan is the best transit option to link Afghanistan to Europe and the Mediterranean and other TRACECA members.



Turkmenistan, in light green, is Afghanistan's most efficient route to the markets of Europe, according to an analysis conducted by TFAA. TFAA is supporting the Afghan government in identifying the best method to govern transit and trade between the two countries.

Torghundi, a border crossing point located in Herat province, leads to Turkmenistan. TAFE worked closely with MoCI to integrate Afghanistan's transport system into the TRACECA transport network and to improve procedures at Torghundi and other trade routes. Specifically, TAFE suggested revisions of the policy on tariffs and charges at transshipment terminals, simplification of the governing policy and regulations for those terminals, possibilities for improved facilitation of visa applications for Afghan road operators and freight forwarders, and increased communication between customs offices.

In partnership with the Afghan government, TAFE began exploring three scenarios to govern trade and transit between Afghanistan and Turkmenistan: a comprehensive bilateral agreement between the two countries, the CAREC-CBTA, or the TRACECA Multilateral Agreement. Afghanistan and Turkmenistan are not yet members of TRACECA-MLA.

Inter-Agency Coordination and Capacity Building

TAFE is working to develop Afghan capacity to formulate strong, well-coordinated trade and tariff policies that contribute to an improved trade environment. TAFE also assists the Afghan government in forecasting and studying the impact of trade liberalization and integration, including the impact on revenue, trade flow, consumers, and producers.

MoCI

Throughout the year, TAFE continued providing on-the-job training for MoCI's International Trade Department and worked with the staff on activities related to WTO accession, legal reforms, and institutional reforms. Staff at the International Trade Department benefited from TAFE's short-term consultants who delivered targeted assistance in areas such as intellectual property, SPS, TBT, and preparation of market access offers.

In 2012, TAFE embedded an expatriate and a national staff member at MoCI's Trade Policy Analysis Unit to provide on-the-job training to the staff to help them negotiate and implement trade agreements. TAFE delivered multiple training sessions on trade and economic theory, market access offers, sensitive lists, and econometric models and analysis. In partnership with MoCI, TAFE developed an econometric model to assess the impact of WTO accession, particularly on fiscal revenue and trade flow.

In addition, TAFE provided support to MoCI's Transit and Trade Facilitation Directorate in conducting a legal survey of Afghanistan's regional trade and transit agreements. TAFE prepared a legal survey and compiled an inventory of bilateral regional trade and transit agreements to identify key provisions, signature dates, benefits, implementation status, and major constraints. TAFE cataloged these agreements for easy access.

In May 2012, TAFE facilitated the transfer of trademark and patent registries from Afghanistan's Commercial Court to MoCI in a move that aligned Afghanistan with international best practices.

TAFA assisted the two entities in coming to an agreement regarding the transfer and developing a memorandum of understanding to enable the transfer.

The newly established Afghanistan Patent and Trademark Office (APTO) at MoCI lacked the capacity to administer laws and perform the daily operations of a typical intellectual property office, particularly regarding patents. Effective administration of intellectual property rights is vital to attracting investment and encouraging domestic innovation and creativity.

To build the necessary capacity, TAFA provided assistance to APTO on the practical implementation of the patent law and provided a proposal to design and implement a patent database. TAFA, in addition, assisted in development of a manual for patent practices and examination procedures and supported the office in the modernization of more than a half dozen forms, including patent application forms and patent registration certificates. TAFA also assisted MoCI in developing a roadmap, covering processes and benefits, for joining nine intellectual property conventions or treaties.

MoIC

WTO membership requires acceding countries to have proper enforcement of copyright legislation prior to accession. TAFA assisted MoIC in 2012 in establishing its Intellectual Property Office (IPO), which is charged with the implementation of the copyright law, by preparing and securing approval for office space, requesting equipment, preparing an organizational structure, and drafting job descriptions.

During 2012, TAFA supported the IPO by preparing three model regulations for implementation of the copyrights law, standard operating procedures for the IPO, and a draft strategy for the administration and enforcement of the copyrights law in Afghanistan.

TAFA also supported the MoIC in providing publishers with International Standard Book Numbers (ISBNs), which are unique numeric commercial book identifiers. With TAFA's support, the MoIC assigned ISBNs to local publishers for the first time, providing them with the opportunity to identify Afghanistan's books in an internationally recognized manner.



A local publisher smiles as she receives an International Standard Book Number (ISBN), the first time local publishers have received such numbers.

MAIL

TAFA continued building the capacity of the MAIL's policy department in analyzing and classifying agricultural subsidies in line with WTO guidelines. The MAIL established a ministerial working group to head the preparation of WTO-related agricultural materials, including the agricultural portion of the market access offer. TAFA held roundtable meetings with the working group to build their capacity regarding WTO accession negotiations, formalities, and procedures related to bilateral negotiations, the format of the goods offer, and terminology.

In addition, TAFA continued working with the MAIL on promoting the need to become a member of the International Plant Protection Convention (IPPC), which sets standards for plant health measures. TAFA supported the MAIL in preparing its application to the IPPC, and the Ministry of Foreign Affairs submitted the document to the IPPC Secretariat in April 2012. Afghanistan committed in its WTO accession process to apply for IPPC membership.



TAFA provided training on internationally recognized certification and standards for agricultural production processes that will enable Afghanistan to access more international markets.

To help Afghanistan align with international agricultural and food safety standards, TAFA delivered training for MAIL staff and food safety inspectors on advanced Good Agricultural Practices (GAP) to build capacity for meeting qualifications under GlobalG.A.P., which has the

most recognized private standards for food safety in the world. TAFE also covered topics related to integrated pesticide management, quality control, and inspection. In addition, TAFE built awareness and capacity of MAIL staff on food safety through four seminars covering the WTO SPS Agreement, international food safety standards, food safety management systems and sanitary-phytosanitary issues.

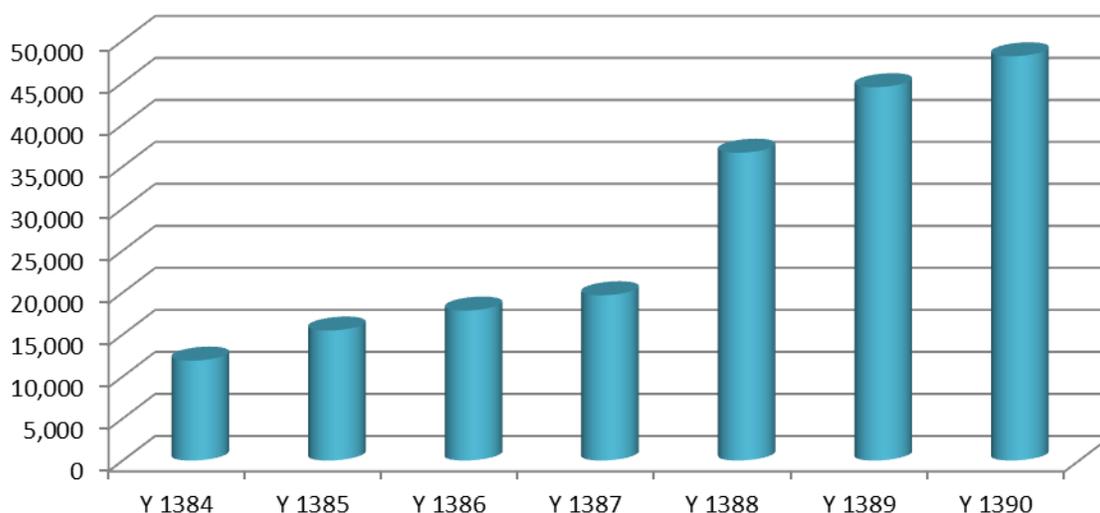
In an added effort to spread awareness of proper practices, TAFE assisted the MAIL in developing a strategy and implementation plan for agricultural extension services in priority areas along with a five-year budget. To launch the process of harmonization with international standards, as required by the WTO, TAFE also assisted the MAIL in developing an action plan for adoption of key standards as outlined in the World Organisation for Animal Health and IPPC.

ACD

ACD is currently the only GIRA organization which maintains and analyzes complete records of imports and exports and customs revenue generated by trade activities. These statistics are maintained in a database installed in 17 customs houses.

In partnership with ACD, TAFE produced the *Review of Tariff, Foreign Trade, and Revenue* for the solar year 1390, which covers March 2011 through March 2012. The annual review is intended to supplement analysis of ACD’s trade and revenue data. TAFE worked with ACD to conduct the review and built the capacity of ACD’s Tariffs Research and Statistics Unit in completing the economic analysis, including reviews on tariffs, revenue, and trade.

**TOTAL CUSTOMS REVENUE
(IN MILLIONS OF AFGHANS PER SOLAR YEAR)**



Customs revenue represents the largest source of the Afghan government’s revenue and has been increasing progressively over the last seven years, according to the *Review of Tariff, Foreign Trade, and Revenue* produced by TAFE on behalf of ACD.

TAFa also assisted ACD in preparing the *Tariff Book of Afghanistan* in the Pashto language for the first time in Afghanistan's history. TAFa submitted the draft Pashto version to ACD for proof reading and to ensure consistency. Upon approval from ACD, TAFa will publish the Pashto version.

TAFa provided on-the-job training to ACD's Tariff Department to implement a new commodity nomenclature. The World Customs Organization's (WCO) Harmonized Commodity Description and Coding System (HS) is an international six-digit nomenclature that includes about 5,000 groups of goods classified according to a logical legal structure. It is used in more than 190 countries, and more than 98 percent of goods traded in the world have an HS code.

The code is updated every five years to take into account new developments such as the trade volume of certain items, technological innovations and recently introduced chemicals. With all countries involved in global trade required to have the latest HS system, Afghanistan faced the challenge of converting from the old system implemented in 2007 to the new 2012 system.

With support from TAFa, ACD went to work in late 2011 to transition to the new system. By March 2012, Afghanistan succeeded in becoming among the first countries to adopt the system and also tailored the system to meet specific needs. Afghanistan's system has two columns – one for countries such as India and Pakistan that enjoy preferential tariffs under the SAFTA agreement, and another column for all other countries.

In support of ACD's efforts to tackle corruption, TAFa interviewed ACD, border agencies, private-sector members, freight forwarders, brokers, transport operators, and other stakeholders to identify corrupt practices in customs operations and to identify the main reasons for corruption in customs. By early 2012, TAFa had developed a comprehensive and detailed anti-corruption action plan for ACD, developed by taking into account the WCO's Arusha Declaration on integrity in customs. TAFa developed fifteen general recommendations and ten specific ones for reducing corruption. TAFa provided implementation guidance to ACD in launching priority actions and prepared a draft brief on the action plan for the Minister of Finance.

ANSA

TAFa began working with ANSA in 2012 to create a strategy to strengthen national laboratories and related aspects such as the certification and inspection of products. The objective is to have the national laboratories and their operations accredited by internationally recognized accreditation bodies.

Although a supplier may make its own claims that its products meet the requirements of a contract or a regulation, it is preferable in the case of a developing country such as Afghanistan that independent objective proof is obtained through the services of a third party, known as a conformity assessment body, through a series of pre-defined laboratory tests.



A lab technician at the Ministry of Public Health measured the pH of water. Tafa began an assessment of laboratory operations to develop an accreditation strategy for the laboratories.

Building confidence in Afghan laboratories, which can serve as those conformity assessment bodies, is a critical goal that can be achieved through accreditation. Laboratory accreditation is a process of assessment by independent specialist bodies of the competence of individual Afghan test facilities to carry out testing procedures.

Tafa also assisted ANSA with a review of its procedures for standards development against internationally recognized best practices outlined in WTO; developed guidelines to assist ANSA in linking to ISONET, an online information network for standards; prepared requirements for establishing a center to provide information on standards; and completed a document for establishment of a certification unit within ANSA for priority exports.

EPAA

One of Tafa's primary objectives is to increase Afghanistan's exports. In support of that goal, Tafa provided technical assistance to EPAA in developing a model for Afghan producers and exporters to develop business plans. In addition, Tafa educated EPAA's staff on business plan writing to allow them to better assist their customers. Tafa developed templates for EPAA to help Afghan enterprises create detailed profiles that will help them promote their products and attract investments.

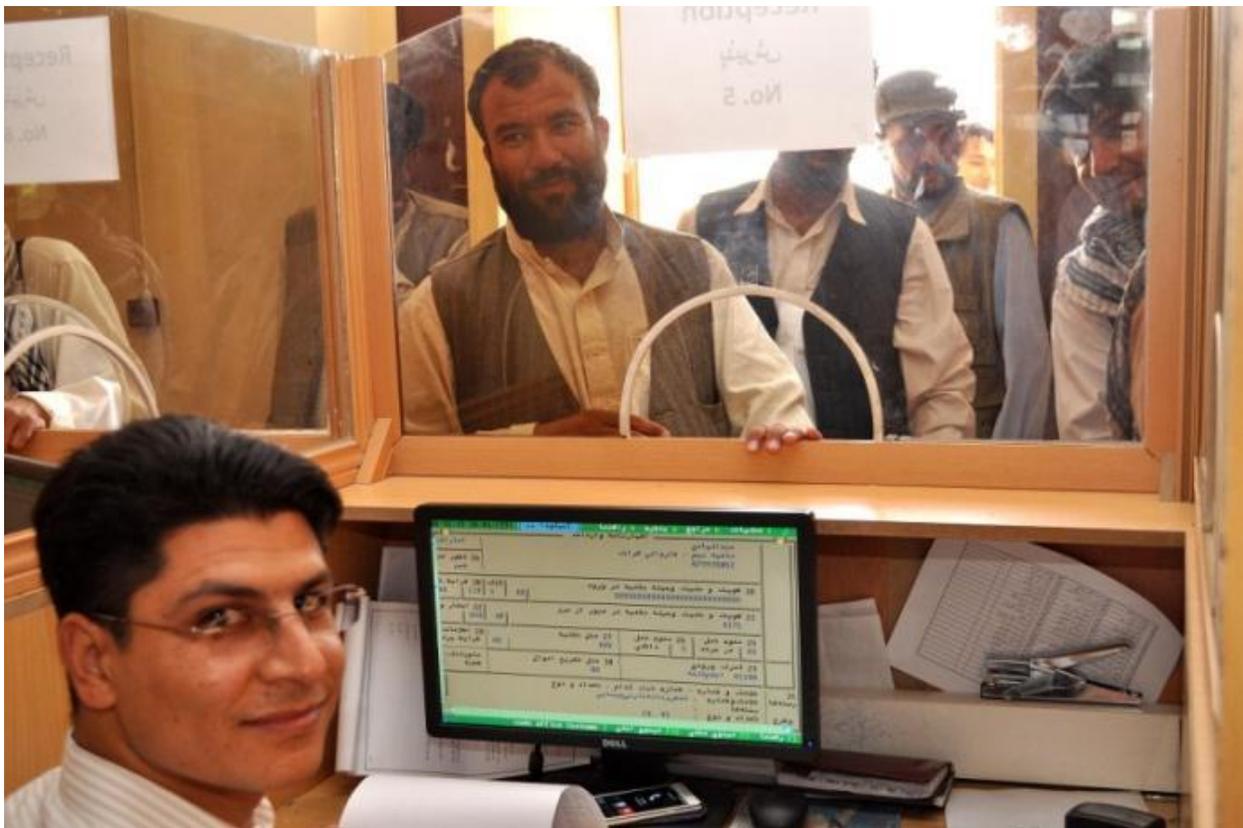
As a pilot for this model, Tafa developed a plan in April 2012 to promote Afghanistan's gemstone industry. Tafa assisted EPAA in the creation of one consolidated database, including 80 key industry players and important background information, and in developing branding and promotional materials, including a logo, slogan, triptych, and brochure. Tafa also developed spreadsheets to tabulate the numbers and types of communications initiated and the numbers of negative and affirmative responses from prospective buyers. It is estimated that Afghanistan could export \$300 million per year in gemstones. In October 2012, Tafa began conducting a similar effort for EPAA targeting the saffron industry.

V. COMPONENT 2: CUSTOMS REFORM

Customs revenue accounts for about 50 percent of the Afghan government's revenue. With customs such a vital part of Afghanistan's budget, TAFE is supporting ACD in increasing revenue, reducing corruption, facilitating trade, and aligning with international best practices.

a. Customs Procedures

TAFE has worked with ACD to streamline customs clearance procedures to reduce inefficiency and corruption since the project's start in 2009. Efficient customs procedures speed international trade, allowing the private sector to get products to the market faster, sell them sooner, and reinvest more quickly; this increases trade, creates jobs, and leads to more revenue for the government.



An ACD employee in Herat processed brokers' declarations to clear goods through customs. With TAFE support, ACD streamlined clearance procedures in Herat and six other trade hubs across the country.

Streamlined Customs Procedures

During the reporting period, TAFE deployed national team members to key customs locations throughout Afghanistan to streamline customs clearance procedures in line with a customs blueprint TAFE created in partnership with ACD. After reviewing the procedures in place in the regions, TAFE identified redundant steps and removed them from clearance processes.

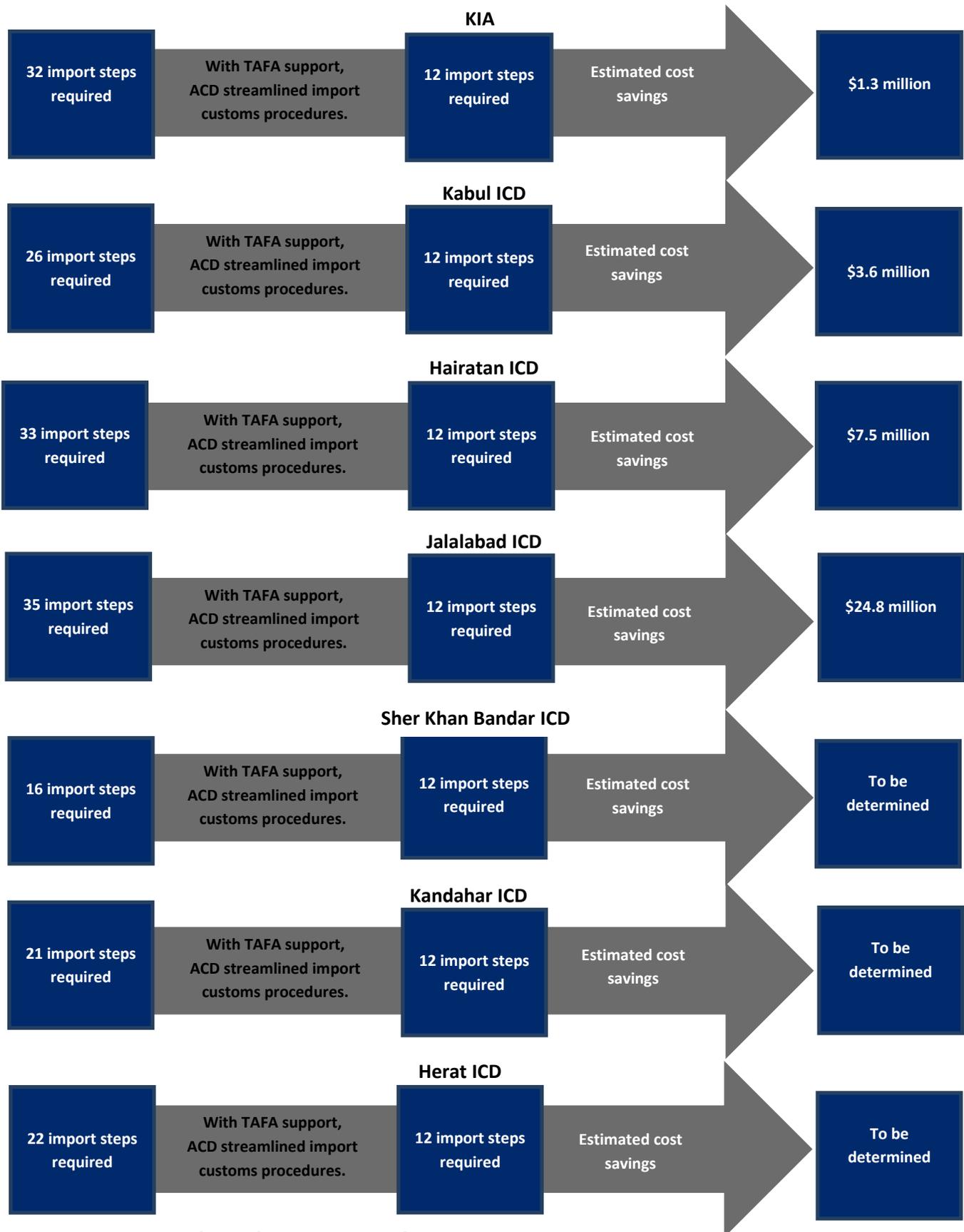
Tafa then paved the way for implementation of the streamlined procedures through multiple meetings with ACD regional staff and local brokers and traders to explain the streamlining process and its benefits. In partnership with ACD, Tafa streamlined customs procedures at the Jalalabad ICD in February 2012, the Kandahar ICD in March 2012, and the Herat and Sher Khan Bandar ICDs in April 2012. Those locations brought the total number of sites with streamlined customs processes to seven, including the Kabul International Airport (KIA), which was streamlined in December 2010; the Kabul ICD, streamlined in August 2011; and the Hairatan ICD, streamlined in August 2011.

CUSTOMS SITES WITH STREAMLINED CUSTOMS PROCEDURES



Tafa monetized the benefits stemming from the new procedures at four locations – KIA, the Kabul ICD, the Hairatan ICD, and the Jalalabad ICD – and will continue the monetization of the remaining sites in 2013. Tafa estimates that Afghan traders and government have saved \$37.2 million with the streamlining procedures at the four sites alone.

ESTIMATED SAVINGS FROM STREAMLINED CUSTOMS PROCEDURES FOR IMPORTS



TAFa continuously monitored the implementation of the streamlined clearance procedures and reported instances of non-compliance to ACD for further action. TAFa also developed two templates that allowed ACD to check that the ICDs were adhering to the blueprint for streamlined procedures.



TAFa held a meeting with brokers, traders, and customs staff in Kandahar to inform them of the streamlined customs procedures that were being implemented. This photo shows just one of multiple meetings that TAFa held to educate stakeholders on the new processes and to address any concerns.

In May 2012, ACD formally approved the blueprint on streamlined import customs procedures that TAFa helped to create. In June, TAFa created a similar blueprint for streamlined export customs procedures. The export blueprint was under review by ACD at the end of the reporting period.

Risk Management Implementation

TAFa worked closely with ACD to enable Afghanistan to meet an IMF benchmark that called for the introduction of risk management procedures to clear cargo imports. A risk management strategy facilitates trade by reducing interventions on compliant traders while more effectively targeting non-compliant traders.

In early June 2012, ACD's Risk Management Committee, created with the support of TAFE, approved 39 risk profiles that were developed by ACD's Central Intelligence Unit (CIU) with TAFE assistance. TAFE and the CIU developed the profiles of potentially high-risk cargo based on an assessment of declaration data over the preceding 12 months.



Following the approval of the risk profiles by the committee, ACD, with support from the United Nations Conference on Trade and Development (UNCTAD), coded the Automated System for Customs Data (ASYCUDA) to incorporate the profiles.



On June 26, ACD began using the selectivity module of ASYCUDA, which is a computerized customs management system, to determine the level of customs intervention on cargo imports at KIA. ASYCUDA now assesses the risk level associated with each consignment and assigns each import for a particular customs scrutiny activity, or processing lane.



Using information in the customs declarations, the automated system channels potentially high-risk cargo to a red lane for a physical

An ACD employee worked with ASYCUDA to use a risk-based approach to clearing imports at Kabul International Airport (top photo). The system selected a customs declaration for the red lane (middle photo), which required physical examination of the import before clearance (bottom photo).

exam and sends moderate-risk cargo through a yellow lane for a documentary check. Remaining cargo is regarded as low risk and goes through the green lane for immediate release. The system also randomly selects cargo for a physical examination as an added measure to manage risk.

Since implementation of the risk management process on June 26, ACD has cleared about 20 percent of cargo imports through the yellow lane, 20 percent through the green lane, and 60 percent through the red lane. Prior to implementation of this risk-based approach, all cargo was subject to either physical or documentary examination. This was a poor use of ACD resources, slowing trade and increasing costs related to trade.

The implementation of risk management has likely fulfilled the IMF benchmark and helped Afghanistan align with international best practices. ACD sent an official letter to the IMF detailing the steps that ACD took toward risk-based selectivity in cargo clearance. The IMF will give official confirmation as to whether Afghanistan has met the benchmark.

During the latter half of 2012, TAFSA increased the number of intelligence profiles generated by ACD to 66, beating the project's target of 50 for the reporting period. TAFSA also developed an intelligence assessment form that was adopted by ACD. This form allows ACD's CIU to identify risks and record all information needed to assess a particular risk. This assessment is then attached to an ASYCUDA profile request form, which contains a series of items and authorizations that lead to the creation, approval, discontinuation, or change of risk profiles in ASYCUDA. The Risk Management Committee uses the data in both the intelligence



TAFSA conducted a risk management training for ACD staff during which teams gathered to develop risk management plans for their specific sections.

assessment form and the risk profile request form to make well-informed decisions on how to best tackle specific risks.

Leading up to the implementation of risk management at the airport, Tafa delivered multiple trainings and follow-up refresher courses on risk management for ACD staff, including senior managers and employees at the Kabul ICD, CIU, and KIA. Tafa educated participants on the principles of risk management; creating a risk register, which allows managers to identify risk in their areas of responsibility; and drafting a risk management plan to tackle the risks.

Additional Intelligence Measures

Throughout the reporting period, Tafa worked to boost ACD’s intelligence capacity and make fully operational both its National Control Unit (NCU), which will monitor and coordinate all national enforcement activity, and the CIU, which is responsible for the collection, analysis, and exploitation of data to identify potential criminal offenses.

During 2012, Tafa arranged for the installation of three critical systems at the CIU: ASYCUDA; the Standard Integrated Tax Accounting System (SIGTAS), which is a tax system used by the Afghanistan Revenue Department; and the National Customs Interception and Seizure (NCIS) database, which can be data-mined by intelligence software to identify areas of non-compliance.

To enable the CIU to take full advantage of the systems, Tafa arranged for training of CIU officers on ASYCUDA at the Afghan National Customs Academy, training on SIGTAS by Adam Smith International advisors, and basic intelligence training at the Afghan National Intelligence Training Center. In addition, Tafa continuously mentored CIU staff in the analysis of intelligence information, such as freight charges, commodity values, and potential false invoices.

Tafa also trained ACD’s Director of Enforcement and staff from ACD’s CIU on the use of “5x5 Intelligence Reporting Forms.” These forms follow the same format as those used by most international intelligence agencies and have been adopted by Afghanistan’s Ministry of Interior (MoI). The use of these documents ensures a standardized and consistent approach to the recording, grading, and assessment of intelligence information regarding potential criminal offenses.

SOURCE EVALUATION	A ALWAYS RELIABLE	B MOSTLY RELIABLE	C SOMETIMES RELIABLE	D UNRELIABLE	E UNTESTED SOURCE
INTELLIGENCE EVALUATION	1 KNOWN TO BE TRUE WITHOUT RESERVATION	2 KNOWN PERSONALLY TO SOURCE BUT NOT TO OFFICER	3 NOT PERSONALLY KNOWN TO SOURCE BUT CORROBORATED	4 CANNOT BE JUDGED	5 SUSPECTED TO BE FALSE OR MALICIOUS

Tafa trained ACD intelligence staff on the use of “5x5 Intelligence Reporting Forms.” These forms allow users to categorize intelligence information regarding potential crimes according to five levels of reliability by source and five levels of confidence by data.

During the reporting period, the NCU continued to monitor the 10 closed-circuit television (CCTV) cameras that TAFa installed at its Kabul headquarters in October 2010. TAFa supported the launch of this project to enable the ACD and the general public to view activities at customs locations through CCTV cameras installed at strategic points. This technology serves as a deterrent to those considering illicit activity.

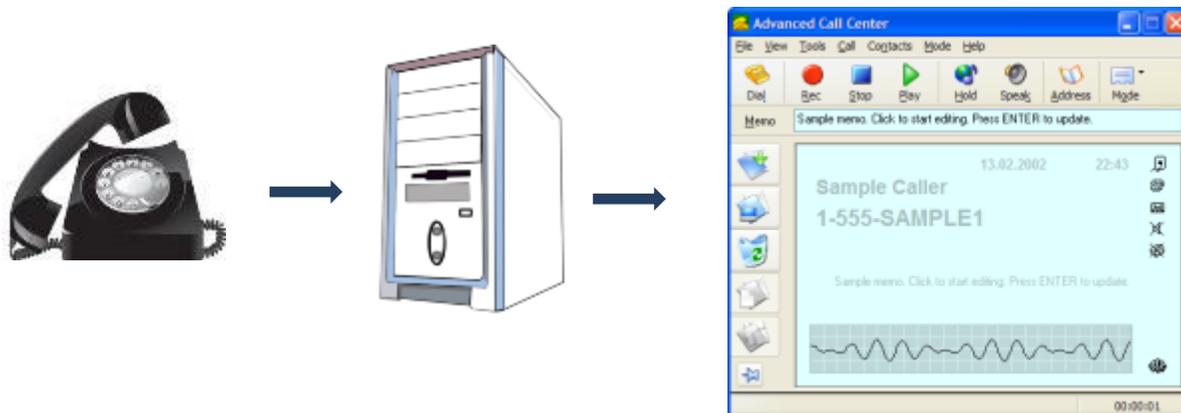


The manager of the National Control Unit (NCU) monitored six screens streaming live video from 10 CCTV cameras installed at strategic customs sites. TAFa supported the launch of the CCTVs to curb illegal activity.

In May 2012, TAFa drafted a concept paper for the implementation of a national anti-smuggling hotline within ACD. Anti-smuggling hotlines, also known as tip lines, are operated by all modern customs administrations. They provide an ideal mechanism for the general public or traders to report customs-related information. This kind of information is often provided anonymously as people are reluctant to speak directly with government officials to report offenses.

TAFa proposed that ACD's national anti-smuggling hotline directs all voice calls to a computer-operated answering machine located in ACD's CIU and serviced by a dedicated telephone line. This approach will ensure that all calls are automatically answered, with the opportunity for callers to either leave information anonymously or request that an officer calls them back

In partnership with ACD, TAFa identified the appropriate software and hardware for the system and installed multiple phone lines for the hotline so that callers do not encounter a busy signal. TAFa expects the hotline will be operational by the end of 2012.



TAFa proposed a national anti-smuggling hotline that directs all voice calls to a computer-operated answering machine located in ACD's secure central intelligence unit and serviced by a dedicated telephone line.

TAFa also began preparing for a nationwide communications campaign to educate people on the hotline. The campaign will include stickers, fliers, and posters with the hotline number and an email address.

<p>شماره تلفون معلومات گمرکی</p>	
<p>hotline@mof.cr.af.gov 0202 320 369</p>	

<p>د گمرکی معلوماتو د تلفون شمېره</p>	
<p>hotline@mof.cr.af.gov 0202 320 369</p>	

	<p>CUSTOMS hotline</p>
<p>0202 320 369 hotline@mof.cr.af.gov</p>	

TAFa will support ACD in printing stickers, in Pashto, Dari and English, and other materials that will publicize the anti-smuggling hotline.

TAFA also worked with ACD to implement the use of pocket notebooks and begin the development of a database to record the issuance of pocket notebooks to officers. TAFA drafted a policy document and training module on the notebooks and received approval for implementation from ACD senior management. TAFA procured the pocket notebooks and will distribute them to officers in November 2012. Pocket notebooks are used by law enforcement officials worldwide to officially record significant information. The notebooks ensure information is recorded in a standardized manner that is easily auditable by senior management.

Electronic Payment of Customs Debts

TAFA began working with USAID's FAIDA project in 2012 to develop a plan to enable the electronic payment of customs duties and taxes. Electronic payment of customs debts will facilitate trade, streamline the process of declaring goods, reduce opportunities for corruption, assist the banking sector by enabling money to remain within the banking system longer, and reduce the government's overhead costs.

Both TAFA and FAIDA determined that the concept was technically viable and gained the support of ACD, MoF, and Da Afghanistan Bank, which is Afghanistan's central bank and is responsible for receiving the cash payments of customs duties.

All of Afghanistan's customs duties and taxes are currently paid in cash. These duties and taxes account for more than 50 percent of the Afghan government's revenue collection. In practice, this means a trader or broker must arrange for the relevant amount of cash to be paid into the branch of Da Afghanistan Bank at the same location that is processing the declaration. This literally entails a bag of cash taken to the regional location.

TAFA and FAIDA are working to introduce payments for customs duties through private banking through two different payment options, e-payment and mobile money. Through e-payments, traders can make payments directly from their bank account by using bank-to-bank transfers. It is anticipated many of the larger traders will use this option. With mobile money, traders can use the mobile network operators' mobile money networks to make payments. This option is ideal for traders who do not have their own bank accounts, or those that need to make payments "on the go".

To ensure implementation is manageable, TAFA in partnership with ACD, will pilot the project at KIA. The project will then be rolled out to the Kabul ICD, Jalalabad ICD, and Herat ICD. In 2011, these four locations processed a total of 414,153 transactions and collected over \$430 million in revenue. This figure accounted for about 45 percent of the total revenue collected by ACD nationally.

b. Customs Management

With the support of TAFA, ACD is restructuring its organization, in part to reach critical IMF benchmarks. Other more immediate concerns revolve around the need to bring in revenue for the country, to eliminate the possibility for corruption, and to align with international best practices for customs.

ACD Restructuring

ACD, which collects about \$1 billion in customs and other revenue each year, employs 200 staff at its Kabul headquarters and 2,130 staff at Border Crossing Points (BCPs) and ICDs. The headquarters, serving as the engine for ACD as a whole, had too many staff in some areas, too few in others, and units that no longer met ACD's evolving needs. In light of its importance, ACD incorporated restructuring into its strategic plan, and the IMF made the approval of the restructuring a benchmark that would facilitate continued support to Afghanistan.

TAFA began working with ACD in 2011 to revamp its outdated structure to maximize its performance and boost its revenue potential. In partnership with ACD, TAFA formulated a plan that established new units to address contemporary customs needs, creating 87 new posts, 34 of which were back-filled by redundant or underutilized employees.

With ACD vital to the government's budget, the plan required approvals from a Presidential committee and the Independent Administrative Reform and Civil Service Commission

(IARCSC), which governs and approves structural reform in Afghanistan's civil service. After a lengthy and complex process, President's Karzai's committee gave its approval in December 2011, and IARCSC gave its approval in April 2012.



TAFA worked with ACD to prepare for the recruitment of candidates to fill vacancies under its new organizational structure.

The IARCSC's approval came after 12 months of intense activity by TAFA to assist ACD in achieving this milestone. The restructuring likely met the IMF benchmark and will represent the largest and most comprehensive restructuring of an Afghan government department in the last five years. It follows two restructuring attempts by prior projects that failed to be approved.

TAFA supported ACD in beginning the process of implementing the plan in October 2012 with advertisements for the additional positions called for under the restructuring. TAFA played a pivotal role in the development of the job descriptions to fill vacancies under the restructuring as well as to more accurately describe existing positions. Many of the job descriptions for prior positions were outdated, vague, and irrelevant to the task being performed.

To complement the restructuring efforts, TAFE conducted a gender and age analysis of ACD to determine how many women are employed and to determine how many employees were near retirement. TAFE is working closely with ACD to increase the number of female recruits.

To complement the restructuring, TAFE conducted a rightsizing exercise at ACD headquarters in the first half of 2012 using the Workload Indicators of Staffing Needs method, which is a human resource management tool that provides managers with a systematic way to make staffing decisions to manage their human resources. TAFE detailed the results of the exercise in its *ACD Headquarters Workforce Management Review*. TAFE is supporting ACD senior management to use the results to redeploy staff with little or no workload to areas that are understaffed or to place them in some of the new positions created under the restructuring.

To begin the restructuring of ACD at the regional levels, TAFE drafted templates for the five major ICDs and BCP to measure productivity levels. TAFE reviewed these templates with relevant regional customs directors and used the final data collected jointly by TAFE and ACD on the productivity at the regional levels to begin developing restructuring plans for the regions.

Salary Improvement Program

TAFE completed a living wage survey in July 2011 that showed that customs officers' monthly expenditures on essential goods and services were four to five times their monthly wage. Proper remuneration for customs professionals is important on many levels. Motivated employees will



ACD employees work at the Jalalabad entry processing unit where brokers line up to declare their goods. TAFE began working on a salary improvement program to reward employees like these and others throughout the country for good performance.

work quickly and at a high level, thus creating more revenue for the government. In addition, adequate remuneration removes incentives to engage in corruption.

During 2012, TAFE developed a salary improvement proposal for a percentage of ACD's revenue to be paid into a customs trust fund. If revenue exceeds the target, extra funds can be distributed as performance bonuses and education allowances.

In May 2012, TAFE supported ACD in presenting a proposed salary improvement program for ACD to Afghanistan's Independent Joint Anti-Corruption Monitoring and Evaluation Committee. The committee agreed to support the proposal when presentations are made to the Minister of Finance and eventually to President Karzai for presidential decree. TAFE shared the proposal with advisors to the Minister of Finance and will present the proposal to the Minister.

Coordination, Planning and Management

During 2012, TAFE worked with ACD to pilot three management procedures – the closed office system, the query note system, and the adoption of management controls – at Hairatan, located on Afghanistan's border with Uzbekistan. The procedures represented international best practices that could make customs more efficient and reduce opportunities for corruption.

Firstly, TAFE recommended implementation of a closed office system at the Hairatan ICD that reduces interaction between customs officers and brokers and diminishes opportunities for corruption. TAFE also facilitated the implementation of a query note system to replace verbal discussions and negotiations with a record that managers can use to monitor staff performance and broker performance and identify common errors for statistical analysis. Finally, TAFE introduced management controls that moved managers away from cursory, 100 percent checks to more focused and recorded checks on a percentage basis.

The pilot proved successful, but, following a change in senior management at ACD, the initiatives were not enforced. TAFE will continue working with new management to emphasize the importance of proper management procedures and to push for a rollout to other sites.

In an effort to promote coordination and communication, TAFE supported and participated in a regional customs directors' conference held at ACD in May 2012. This was the third annual regional customs directors' conference supported by TAFE. The conference offered directors the chance to discuss challenges and opportunities in the collection of customs duties and taxes and gave ACD senior management an opportunity to share strategic plans with regional staff.

In another effort to promote effective coordination, TAFE wrote and designed the *Customs Mirror*, ACD's internal monthly newsletter, on behalf of ACD. The ACD internal monthly newsletter provides an opportunity for ACD staff to receive up-to-date customs news and information and to share accomplishments.

Throughout 2012, TAFE played a key part in the development of ACD's draft five-year strategic plan covering 2012 to 2017. TAFE participated in a number of meetings with ACD and the United Nations Office for Project Services (UNOPS) to work on the plan. During the meetings, the stakeholders agreed on the first draft outline as well as the "Vision, Mission and Values" for



ACD's regional customs directors pose for a group photo at the ACD headquarters in Kabul. They gathered there on May 10, 2012, for a regional customs directors' conference supported by TAFa.

the strategy, ACD's vision is to be a regional leader in customs. ACD is expected to send the draft plan to the Minister of Finance for approval in December 2012.

In June 2012, TAFa participated in a customs retreat organized by the World Bank in Dubai, United Arab Emirates, to continue work on the plan. TAFa assisted ACD in the preparation of an outline of the plan for discussion at the retreat and prepared a presentation at the retreat's commencement for ACD's Director of Planning, who is the chair of the strategic planning committee. Participants included representatives from UNOPS, BMTF, UNCTAD, relevant Afghan ministries, IMF, and the World Bank.

c. Border Management Model

The IMF established a benchmark that required the Afghan government to develop a BMM based on international best practices. The BMM requires joint management of border activities between the MoI and MoF – specifically between the ABP, which falls under the MoI, and ACD, which falls under the MoF.

With the support of TAFa, Afghanistan reached its first IMF benchmark on the BMM in June 2011 when the ministries signed off on the model. With the assistance of TAFa and the BMTF, the Afghan government began piloting the BMM at the Hairatan BCP in July 2011. Under the

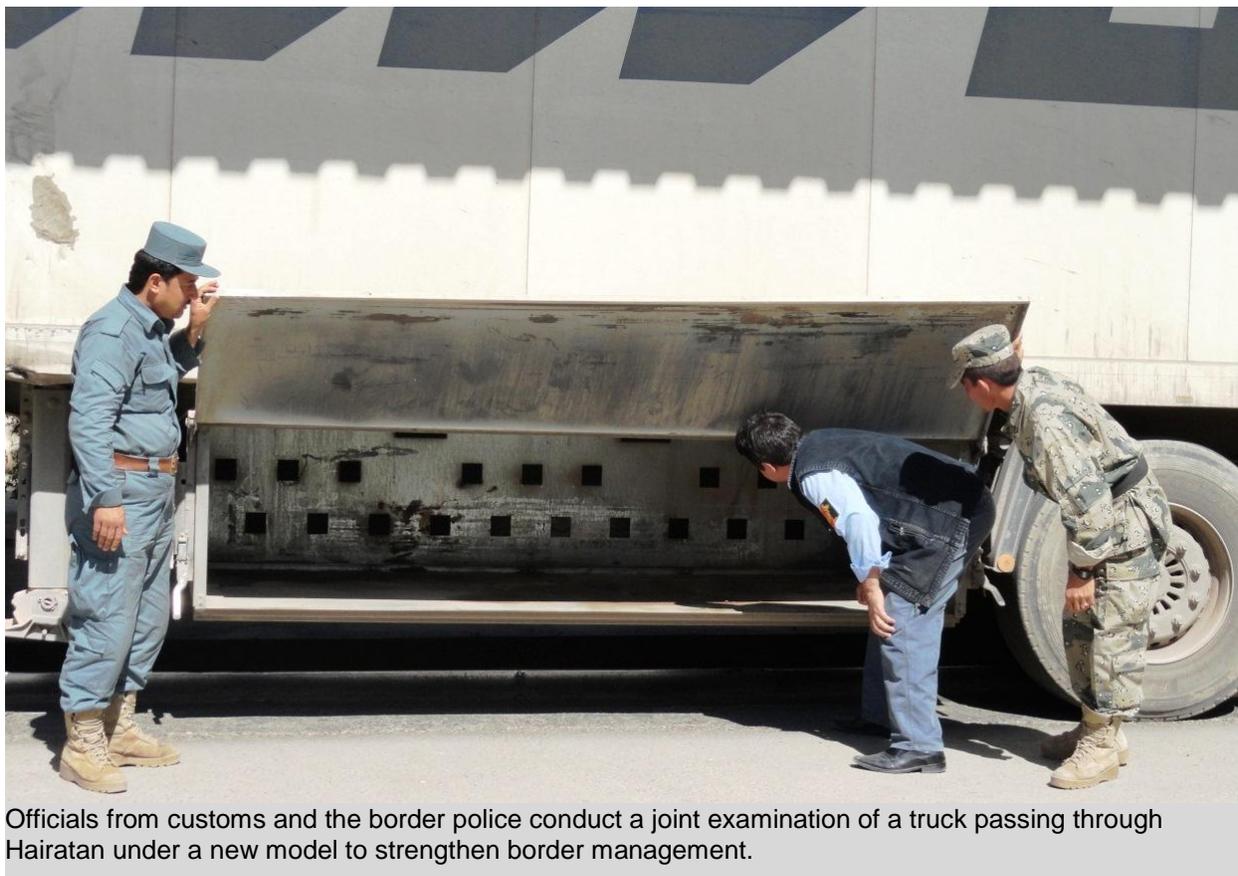
BMM, the ABP continues to be the primary agency in control of immigration and national security, with ACD as the primary agency in control of international trade.

Hairatan BMM Pilot

In late 2011, TAFE helped to identify staff for a 24-hour cargo control team at the Hairatan BCP to help control incoming cargo at Hairatan and to fulfill a requirement under the BMM. Prior to the cargo control team being deployed, TAFE assisted ACD in securing an agreement from the MoF for the members of the team to be paid additional out-of-hours, or shift, salaries.

During 2012, TAFE conducted a review to assess the implementation of the BMM at Hairatan and identify obstacles impeding implementation. TAFE determined that ACD made significant progress that would enable the rollout of the BMM to other sites. According to TAFE's report, ACD progress could be seen by the presence of a new customs connex at the "zero point," or the entry point into Afghanistan; the presence of customs staff at the BCP 24 hours, seven days a week; and the collection of cargo manifests at the zero point.

According to TAFE's review, the co-operation between the ABP and ACD at Hairatan was clearly evident. In one example, both ABP and ACD agreed to implement a joint procedure for the collection of manifests at the zero point. When employees of the Hairatan Border Services Agency, staffed by employees from the MoCI and commonly known as ASTRAS, refused to allow ACD to receive manifests before them, ACD and ABP jointly insisted that the new procedure be followed. Both TAFE and the BMTF had encouraged such building of relations at several meetings between the two authorities throughout 2011 and 2012.



Officials from customs and the border police conduct a joint examination of a truck passing through Hairatan under a new model to strengthen border management.

Islam Qala and Sher Khan Bandar BMM Implementation

In March 2012, TAFAs, with the assistance of the BMTF, supported implementation of the BMM at two additional border crossing points – Sher Khan Bandar on Afghanistan’s border with Tajikistan and Islam Qala on the country’s border with Iran. The rollout enabled Afghanistan to reach an IMF benchmark that called for two sites in addition to Hairatan by March 2012. At a meeting of the Technical Coordination Committee, which is responsible for monitoring IMF benchmarks, ACD was able to declare that Afghanistan had met the IMF benchmark.

To prepare for rollout to additional sites, TAFAs conducted assessments to identify steps required for BMM compliance at Aqina, which is located on Afghanistan’s northern border with Turkmenistan; Zaranj, which is located on Afghanistan’s western border with Iran; and Torkham, which is located on Afghanistan’s eastern border with Pakistan. TAFAs will assist ACD in the further roll out to additional BCPs in the coming months, with the high-profile BCPs of Torkham and Weish, located on Afghanistan’s southern border with Pakistan, identified as key targets for implementation along with sites with lower traffic.

BORDER MANAGEMENT MODEL (BMM) SITES



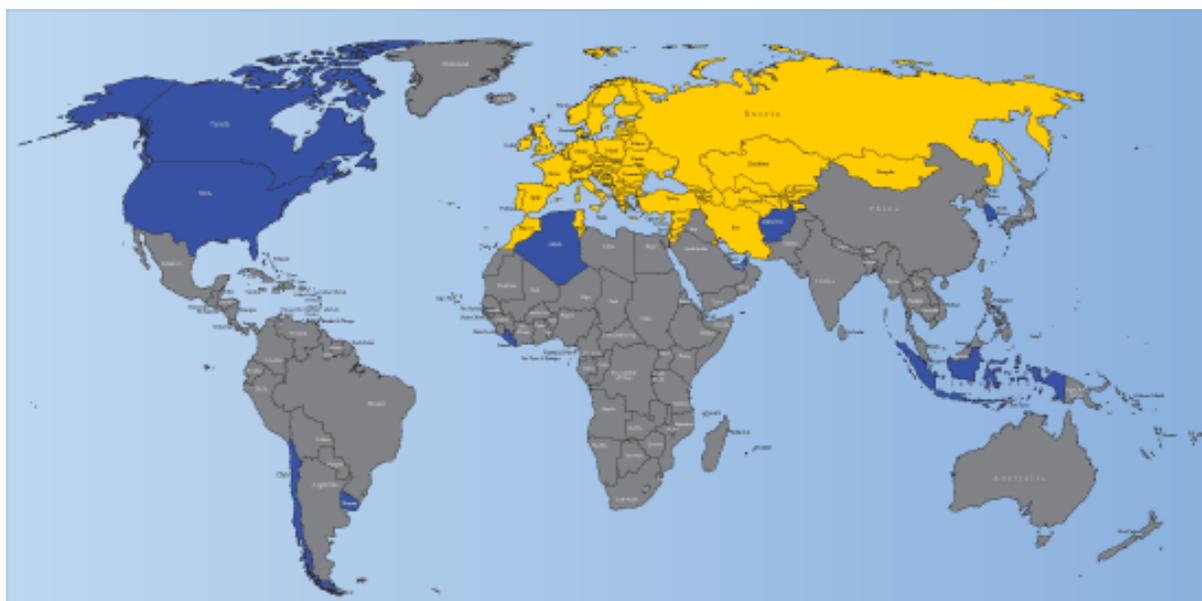
VI. COMPONENT 3: TRADE FACILITATION

TAFA's trade facilitation component aims to improve trade through the implementation of transit agreements such as the TIR Convention, the facilitation of PPPs to develop trade-related infrastructure, and finding solutions to challenges traders face in importing and exporting goods. At the request of USAID, TAFA scaled down this component in the spring of 2012 and transferred some activities of the component to its trade policy liberalization and customs reform components.

a. TIR Convention

During the reporting period, TAFA supported the Afghan government in implementing the TIR Convention, which is an international customs transit system that makes it easier for goods to move across the roads of member countries. The TIR system allows customs-sealed vehicles and freight containers to transit countries without border checks and covers customs duties and taxes that may become due through an international guarantee.

TIR was established in 1975 and Afghanistan joined in 1976, but Afghanistan has not been recently active in the system. The TIR Convention will provide significant added value to Afghanistan, because Afghanistan is a landlocked country and four of its border countries are active under the TIR Convention: Iran, Turkmenistan, Uzbekistan, and Tajikistan.



A map from the International Road Transport Union (IRU) shows that countries colored in blue, including Afghanistan, are contracting parties to the Transports Internationaux Routiers (TIR) Convention. However, the TIR system is only operational in the countries colored in yellow, according to the IRU. TAFA is supporting Afghanistan in operationalizing the system.

In order to review progress on implementing the TIR Convention in Afghanistan, TAFA participated in a conference in Herat in February 2012 organized by the Economic Cooperation

Organization (ECO), which is comprised of Afghanistan and nine other member countries, and the International Road Transport Union (IRU), which implements the TIR system under a United Nations mandate. Participants in the conference included Afghan officials, representatives from ECO and IRU, and delegations from ECO members such as Kyrgyzstan and Tajikistan.

During the conference, TAFE gave a presentation on TIR activities in Afghanistan on behalf of MoTCA. At the meeting, participants offered new deadlines and target dates for activities outlined in an action plan for TIR. The meeting resulted in an updated version of the TIR action plan, titled the *Review of Action Plan for the Reactivation of the TIR System in Afghanistan: Progress to Date, Ways Forward* and known as the *Herat Review* for short.⁴

To support activation of the TIR system, TAFE developed a document for the establishment of a National Authorization Committee that will select transport companies authorized to use TIR carnets, which is a single, harmonized transit document that reduces customs formalities at the borders. TAFE also developed a questionnaire for the selection and admission of TIR carnet holders to the TIR system. MoTCA can use the information provided in the questionnaire to evaluate and select transport companies and introduce them to ACCI, which will issue the carnets.



TAFE organized a Transports Internationaux Routiers (TIR) awareness workshop in Kabul that was opened by Minister of Transport and Civil Aviation Daud Ali Najafi.

⁴ Afghanistan's TIR Action Plan is provided in the annex of this report.

In an effort to educate stakeholders on the TIR convention, TAFE held three workshops for the public and private sector throughout 2012. In April 2012, TAFE, in cooperation with MoTCA, organized the first TIR awareness workshop in Kabul for about 60 participants, including government and private-sector officials. The Minister of Transport and Civil Aviation inaugurated the event, highlighting the importance of reactivation of the TIR convention in Afghanistan and the benefits the convention will bring to the country.

In May 2012, TAFE, in cooperation with MoTCA, organized its second awareness workshop in Mazar-i Sharif. Fifty-six people participated, including high-level government officials such as the Balkh Deputy Governor, MoTCA's Director of International Relations, and the Balkh Director of Commerce and Industries. Members of the private sector, including traders, transporters and freight forwarders, also participated in the workshop.

In September 2012, TAFE, in cooperation with the MoTCA, organized the third workshop in Herat for 80 participants. Participants included the Deputy Governor of Herat province, MoTCA's Director of International Relations, the chairman of the Afghanistan Association of Freight Forwarding Companies, directors of transport companies, freight forwarders and traders.

At all three workshops, TAFE gave in-depth presentations explaining TIR's history, Afghanistan's progress in operationalizing TIR, the benefits of the convention for Afghanistan, and the components of the TIR system.

In July 2012, TAFE attended a meeting regarding TIR Convention in Geneva, Switzerland with officials from MoTCA, ACD, and ACCI at IRU headquarters, on behalf of Afghanistan. At the meeting, participants reviewed the TIR action plan for Afghanistan and the country's progress on operationalizing the system.

b. Public Private Partnerships

TAFE worked to identify trade-related infrastructure projects and establish partnerships between the government, donors, and the private sector to create PPPs to develop these projects. The trade-related infrastructure projects facilitate trade, while the PPPs link government and donor assistance with the resources of the private sector.

Islam Qala PPP

In late 2011, MoTCA expressed interest in developing a truck parking facility on a land parcel that it owned along a highway running from Islam Qala, which is located on Afghanistan's border with Iran, to the city of Herat. The proposed land parcel is strategically located near ACD's Herat office and would be an ideal location for a facility to service the large number of trucks visiting Herat every day.

TAFE began gathering information to develop the facility through a PPP. In late 2011, TAFE conducted a fact-finding mission at the Islam Qala BCP that indicated that trucks waiting for

processing at Islam Qala often parked on the side of the road, creating congestion and safety issues. A parking facility would play a major role in easing traffic as well as stopping illegal road-side truck parking in the city.

In the first half of 2012, TAFAs partnered with Technologist Inc., a U.S.-based engineering and construction firm with an office in Kabul, on creating a preliminary design for the proposed truck parking facility. TAFAs used the design to develop a proposal for prospective bidders and proposed the project have one parking facility capable of accommodating 300 to 400 fuel tanks, another parking facility for 1,000 trucks, and a third facility for newly imported cars.

Naibabad PPP

Throughout late 2011 and the first half of 2012, TAFAs worked on a potential PPP for a truck parking facility to alleviate parking problems in Hairatan. Trucks transporting goods to Uzbekistan or waiting to pick up cargo from Uzbekistan were causing severe congestion in Hairatan due to a lack of proper parking facilities.

TAFAs obtained a letter from the Governor of Balkh province allocating a specific plot of land for the proposed parking facility. In the first half of 2012, TAFAs partnered with USAID's Afghanistan Small and Medium Enterprise Development (ASMED) project to survey and test the soil of the plot to determine the suitability of the land and to use the data to create a PPP proposal for prospective bidders. While the survey showed the land could be used for the facility, TAFAs encountered resistance from the Ministry of Defense, which claimed ownership of the land.

With the Ministry of Defense refusing the transfer the land for use as a truck parking facility, TAFAs began looking at other possible locations. With ACD's support, TAFAs turned its focus to the possibility of creating a truck parking facility at Naibabad, which is also located in Balkh province and lies east of the Mazar-i Sharif Airport. A train runs from Hairatan to the Naibabad rail station, making Naibabad an ideal location for a truck parking facility. TAFAs is working on a



A long line of trucks parked along the side of the highway between Islam Qala to Herat, creating congestion and making travel dangerous.

proposal for a facility that would be capable of accommodating up to 1,500 trucks and would be located on a plot of land owned by ACD.

PPP capacity building

In early 2012, TAFE partnered with ASMED to help create a legal foundation for the development of PPPs in Afghanistan. In coordination with TAFE, ASMED contracted a law firm in Kabul to review existing laws and regulations that were relevant to the implementation of PPPs and to recommend additional regulations or legal instruments that needed to be developed to implement PPPs. The law firm presented a summary of its findings and a model contract that can be used for PPP projects.

The law firm also held a workshop to train employees of MoCI's Transit and Trade Facilitation Department on topics such as PPPs as mechanisms for developing infrastructure projects, legal issues involved in implementing PPPs, and the use of the model contract for PPP projects.

c. Industrial Park Development

Afghanistan has eleven industrial parks but their rate of development is uneven. TAFE worked throughout late 2011 and early 2012 to build the capacity of the Afghan government to effectively implement and manage industrial parks. TAFE ended these activities in spring 2012 at USAID's request based on plans for a forthcoming USAID-funded project that will focus on industrial parks.

Prior to this decision, in early 2012, TAFE partnered with ASMED to provide a short-term technical advisor to work with the Industrial Park Development Department (IPDD) of AISA. The advisor worked throughout early 2012 with IPDD staff to build their capacity in management, legal, and technical areas related to industrial parks.

The legal firm engaged by ASMED also developed a model PPP contract to assist the IPDD in implementing PPP-based industrial parks in the future. The legal firm conducted a three-day workshop for staff at AISA's IPDD covering a general introduction on using PPPs for delivering public services; the need for policies and laws at the national level to allow entities to use PPPs to address their needs; existing laws and regulations that will influence development of PPP projects; and the use of a model contract between government entities and private partners for PPP projects.

d. Cross-Border Trade

TAFE works with the public and private sectors to identify barriers to trade and develop recommendations to improve trade. According to the World Bank's *Doing Business 2013* report, Afghanistan ranks 178 out of 185 countries based on the World Bank's "Trade Across Borders" indicators that measure exporting and importing a standardized cargo of goods. Afghanistan ranked 179 out of 183 countries in the World Bank's *Doing Business 2012* report.

TSCs

TAFA established TSCs in Jalalabad, Kabul and Kandahar in 2011 to provide technical advice to Afghan traders. In early 2012, TAFA established another TSC in Mazar. The TSCs, which provide information and export services to traders, are a joint collaboration between TAFA and ACCI. Housed in ACCI facilities, TSCs were staffed by TAFA employees.

Throughout the reporting period, TAFA's TSCs organized trade circles on an almost weekly basis for businesspeople and companies. The trade circles allowed participants to learn about export markets and build on each other's exporting ideas. The trade circles assisted those who want to start exporting and finding buyers for their products outside of Afghanistan. They also provided the TSCs with an opportunity to learn about challenges facing Afghan traders and provide advice on resolving those issues. The trade circles included, for example, businesswomen in Kabul, textile manufacturers in Jalalabad, female traders in Balkh, and dried and fresh fruit exporters in Kandahar.

The TSCs also held workshops and trainings explain trade issues, such as SAFTA, APTTA, and marketing, to traders, and they held one-on-one consultations with businesspeople to help them expand their businesses.



TAFA's Trade Service Center (TSC) in Kabul held a trade circle with female and male traders to introduce them to TSC activities.

During 2012, TAFA developed a website at <http://tsc-acci.org.af> to support the TSCs and provide up-to-date information on trade issues. The website provides detailed information on regional trade agreements, the WTO, market data, and import and export procedures. The site also provides an opportunity for local traders and exporters to place their business profiles on

the site to showcase their products and expand their markets. The site is available in English, Dari, and Pashto.

In late 2011, TAFE added several hundred contact details of Afghan traders to the distribution lists of the TSCs. Following India's decision toward the end of 2001 to reduce its sensitive list to 25 items for LDCs in SAFTA, TAFE's TSCs used the contact details to inform Afghan exporters of the enormous opportunities for their country's exports. Through bulk text messages over mobile phone, the TAFE-supported TSCs announced the news to about 400 exporters in Kabul, Jalalabad, Kandahar, Mazar, and Herat on Nov. 30. Within minutes, traders were phoning the TSCs for more information.

In the third quarter of 2012, TAFE began working with ACCI to hand over the TSCs and the website to the organization. ACCI will own the TSCs at the conclusion of TAFE on November 15, 2012. TAFE has also transferred the website and database with contact details to ACCI and will continue to support the organization and the TSCs with trade-related training.

Facilitating trade

TAFE traveled to Mazar in Balkh province in early 2012 to examine Afghanistan's cross-border trade problems, especially with regard to customs at the borders of Uzbekistan and Turkmenistan. TAFE researched shortcomings in rail services in the area and the shipment of consignments on Afghanistan's borders with these two countries. To obtain such information, TAFE conducted interviews at Hairatan and Mazar with the primary export and import companies. TAFE also conducted interviews with Uzbek rail authorities to determine freight shipment charges by railroads in Uzbekistan.

The traders said they faced problems with Uzbekistan, saying officials from the Uzbekistan Customs Department or Uzbekistan Police Department often break open the seals of containers without satisfactory reasons. Traders said up to five percent of their goods go missing during this process. The traders said that when they contest the missing goods, Uzbek officials instruct them to contact the companies that have loaded the wagons to find the missing goods. When the trucks finally arrive in Afghanistan, local customs officials charge tariffs according to the invoice rather than the actual items in containers – resulting in payment on the missing goods.

TAFE also conducted an interview with the director of the Hairatan Border Service Department, which is an arm of MoCI that handles the loading and unloading of trains and trucks. He said Uzbek customs at times arbitrarily reduce the number of train wagons allowed to cross the border. These problems lead to expensive delays for traders, according to the director. Both the traders and the director recommended that an Afghan office be opened on Uzbek soil to monitor imports.

TAFa prepared a detailed report outlining the problems and sent the report to ASMED. ASMED incorporated the information into its overall draft report on cross-border trade problems. TAFa also supported the Balkh Chamber of Commerce and Industries in preparing a detailed report of the problems local traders encounter in importing and exporting goods through Hairatan from Uzbekistan.

Marble export mapping

In the second quarter of 2012, TAFa completed a rapid assessment that mapped Afghanistan's export procedures for marble to markets such as Australia, Europe, and the Gulf in an effort to build the knowledge of exporters and buyers on the process involved in this lucrative trade.

Many exporters are interested in exporting marble, but they are unaware of the procedures. In addition, foreign buyers have visited Afghan marble companies, but they do not pursue business opportunities due to a lack of data.

TAFa conducted interviews with key marble associations and individuals involved in the production and export of marble. TAFa also collected information on the variety and availability of marble in Afghanistan.

TAFa's rapid assessment provided a profile of Afghanistan's marble industry, including exports and extraction, as well as steps to obtain licenses and other required export documents. TAFa outlined problems encountered by marble traders and offered possible solutions for overcoming those challenges.



Afghanistan has marble quarries that produce high-quality marble varieties that are in demand in international markets.

e. Economic Journalism

In order to increase public understanding and support for trade expansion and liberalization, TAFE worked to strengthen the capacity of Afghan journalists to understand and accurately report on trade and economic news.

TAFE signed an agreement in February 2012 to support the Economic Press Club, which TAFE created in 2010 to improve the country's trade and economic reporting. The agreement with TAFE allowed the Kabul-based club to benefit from TAFE's financial and technical assistance, including development of its website, design and production of marketing materials, and logistics support for its events.

With TAFE's support, the Economic Press Club held five of its 17 media events during the reporting period. The Economic Press Club arranged for local journalists to visit sites of economic importance or to participate in interviews with influential people from the public and private sector in order to write in-depth, trade-related stories. The Economic Press Club events included a review of outcomes from the second Bonn Conference, a tour of marble factories, an interview with the head of EPAA, and a tour of carpet producers and exporters in Kabul.



Afghan journalists took notes during a site visit organized by TAFE as part of its efforts to increase the quality and quantity of reporting on trade and economic issues.

TAFA also arranged journalist visits to economically strategic sites outside of Kabul. Throughout the reporting period, TAFA supported tours of the Aqina Customs House, a busy facility on the border with oil-rich Turkmenistan; the Jalquduq gas production facility in Jawzjan province in northern Afghanistan; industrial parks in Herat and Kandahar; and the newly constructed railway station at Hairatan. TAFA also organized interviews with the local press with prominent government and private-sector representatives so that they could educate the public on trade and provide important information on trade developments.

f. Afghanistan National Standards Authority

In early 2012, TAFA supported ANSA in implementing its five-year strategic plan for developing quality infrastructure in Afghanistan. In the spring of 2012, TAFA transferred ANSA support to its trade policy liberalization component to more closely align ANSA's objectives with Afghanistan's efforts toward WTO accession.

Prior to this transition, as part of its support in developing Afghanistan's standards and



The Quality Improvement Coordination Board (QICB), established with the support of TAFA, met in November 2011 to lay the groundwork for the development of Afghanistan's standards and certification procedures.

certification procedures, TAFA supported the Quality Improvement Coordination Board (QICB) in holding its fourth meeting in November 2011 at ANSA's office. The board members approved a draft of the QICB terms of reference and agreed that the following three committees need to be established: 1) Import Inspection Committee; 2) Product and System Quality Certification Committee; and 3) Public Awareness and

Capacity Building Committee. TAFA played a key role in the design and establishment of the QICB, which has the responsibility for coordinating government organizations involved in establishing mandatory and voluntary standards, enforcing mandatory standards, and assisting associations to help their members adhere to and qualify for international certification of product and producing standards.

In late 2011 and 2012, TAFE conducted an assessment of existing quality and inspection laboratories in Kabul, Nangarhar, Balkh, and Herat provinces for the QICB. In those four provinces, TAFE interviewed representatives of MAIL, MoPH, ANSA, ACD, MoCI, the Ministry of Urban Development, the Ministry of Public Works, the Counter Narcotics Department, and private laboratories to research issues including laboratory facilities, technical staff, reagents, chemicals, calibration, and accreditation of laboratories. TAFE completed a *Laboratory Study and Assessment Report* based on the research and shared the document with ANSA for its review.

With the support of an ASMED consultant, TAFE also assisted the QICB in developing a commodities list and import inspection regulation to facilitate the import process. Every country has a list of commodities for the purpose of product quality and safety control. Some commodities do not require testing, and some commodities need strict quality control and inspection. ANSA initiated the idea of a need for a commodities list and import inspection regulation and identified three categories of goods: sensitive commodities, semi-sensitive commodities and non-sensitive commodities.

Under TAFE II, the trade facilitation component will shift its focus to working with private-sector enterprises and business associations in Afghanistan and the Central Asian Republic, in particular, in coordination with USAID's Regional Economic Cooperation Project, which is based in Kazakhstan.

VII. CROSS CUTTING ISSUES

TAFA works to build the capacity of marginalized groups, such as youth and women, so that they can improve their knowledge of trade issues and help contribute to Afghanistan's economy. While TAFA includes women and youth in its project-wide efforts wherever possible, TAFA also conducts targeted trainings and activities to build the capacity of the two groups.

a. Women

Gender study on trade issues

In late 2011, TAFA completed the first in-depth gender study on trade issues, called *Afghan Women Go To (The Global) Market: An Analysis of Women's Participation in Trade and Business*. The study is available in Dari, Pashto, and English and is the result of information compiled by TAFA during a series of workshops in late 2010 in Kabul, Nangarhar, Herat, and Balkh to consult women in business.

The report showed that most of the challenges facing Afghan women are generally the same issues faced by men who are starting a business, but the degree of difficulty encountered by women is compounded by their socio-cultural limitations and their lower status in society.

The report classified interventions into six categories:

- Information campaign: awareness-raising to change public perception on women's participation in local and international trade; orientation sessions to encourage women to venture in international trade;
- Capacity building: information on starting a business; business-related training for women business owners; skills training for workers; scholarship grants;
- Improve access to resources: information on where and how to get loans; increasing access to loans; common facilities (business center, production area, equipment and transport, cooperative store, trading center/ area, day care center); access to quality raw materials;
- Increase access to domestic and international markets: access to market information; local and international trade exhibits; and information and communication technology tools;
- Strengthen women's linkages/ networks for trade: functional/ local women's business organizations; umbrella organization for women in trade; ensure women's participation in trade policy consultations and negotiations;
- Continue government efforts to simplify doing business: ease the application for or renewal of business licenses; ease importing/ exporting; make available a schedule of taxes; implement the National Action Plan for Women of Afghanistan.

TAFA shared the report with USAID and relevant Afghan ministries and organizations and worked to implement the interventions throughout 2012.

Business training and gender awareness

TAFAs provided several workshops throughout the reporting period to help build the capacity of women and enable them start a business or grow an existing business.



As part of TAFAs training, businesswomen from Kabul brainstormed on a list of ways to find buyers for their products.

As part of its efforts to give businesswomen the skills necessary to compete in today's marketplace, TAFAs conducted marketing seminars that taught women the fundamentals of marketing, ways to compete with imports from other countries, and methods to identify new buyers for their products.

TAFAs also organized a tax awareness workshop that educated businesswomen on how to pay their taxes and held a loan awareness workshop to teach businesswomen about types of loans as well as the loan application process. TAFAs prepared and distributed a list of loan providers and detailed information about the loan application process, loan amounts, interest rates, loan durations, and other requirements. In addition, TAFAs organized a tour of the Kabul ICD and KIA to educate businesswomen on customs clearance procedures.

In August 2012, in coordination with women's organizations and the Ministry of Women's Affairs (MoWA), TAFAs organized a one-day exhibition in Kabul for Afghan businesswomen to showcase their handicrafts and other products. In total, 18 businesswomen participated and showcased their products, including clothes, jewelry, veils, handbags, embroidery, paintings, and decorative objects for the home.

In an effort to increase support for Afghan women who venture into business and trade, TAFa held two workshops that highlighted the benefits of women's participation in trade. The male participants were family members of businesswomen and employees of MoWA.



TAFa conducted a gender awareness workshop for men in Nangarhar province to raise awareness of the positive impact of women in trade.

b. Youth

TAFa began an internship program in October 2011 to help university students studying economics or business to gain professional experience that would help them land permanent jobs that will contribute to the growth of Afghanistan. TAFa partnered with Association Internationale des Etudiants en Sciences Economiques et Commerciales (AISEC), a French youth organization that operates in Afghanistan, and identified qualified interns to work in its different components and earn a stipend and a daily transportation allowance.

As of October 2012, TAFa had five interns working in its different components, including three females and two males. Since the start of the program in October 2011, TAFa hired a total of 19 interns, including 11 females and eight males. Through TAFa's support, seven of the interns that TAFa hired have obtained full-time jobs with different organizations.

KABUL UNIVERSITY INTERNS AT TAFE						
TAFE sectors	Total since activity start in Oct. 2011			Total as of Oct. 31, 2012		
	Total	Females	Males	Total	Females	Males
Component 1	3	2	1	1	1	0
Component 2	8	3	5	4	2	2
Component 3	5	3	2	0	0	0
Cross-cutting issues (gender and youth)	1	1	0	0	0	0
Administrative (finance and human resources)	2	2	0	0	0	0
TOTAL	19	11	8	5	3	2

In September 2012, TAFE worked closely with Kabul University to begin a new internship program to place students at ministries and related organizations. The internship program enables the students to fulfill academic requirements as well as get practical experience in the field of economics, trade, or business. TAFE placed three interns at MoCI's Afghanistan Central Business Registry (ACBR), three interns at ACCI, and three at ANSA in October 2012.

KABUL UNIVERSITY INTERNS AT MINISTRIES OR TRADE-RELATED ORGANIZATIONS			
Ministries and Trade-Related Organizations	Total since activity start in Sept. 2012		
	Total	Females	Males
MoCI/ACBR	3	1	2
ANSA	3	2	1
ACCI	3	1	2
TOTAL	9	4	5

VIII. SUCCESS STORIES



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AFGHANISTAN

FIRST PERSON The Right Man for the Job

A former senior manager at a USAID project takes his career to the next level.



Photo Credit: USAID/TAFA

“TAFAs is really helping Afghans build their capacity, and I am one example of that. I have learned a lot.”

- Safir Sahar, a former senior manager at a USAID project who is now working on behalf of the Afghan government in Geneva.

After spending years working in Kabul to turn Afghanistan into a global market player, Safir Sahar has taken his mission to the next level. In August, the former USAID project manager began working to promote his country's economic interests as Afghanistan's first Commercial Attaché in Geneva, Switzerland, home to the headquarters of the World Trade Organization (WTO) and hundreds of major multinational corporations.

“Afghans will never have political independence unless we have economic and financial independence,” said Safir from Geneva as he began his new job.

In support of his goal of a prosperous Afghanistan, Safir had helped lead USAID's Trade and Accession Facilitation for Afghanistan (TAFAs) project as Deputy Chief of Party, and Senior Trade and Customs Advisor prior to that.

At TAFAs, Safir served as one of the senior Afghan negotiators in the finalization of the Afghanistan-Pakistan Transit and Trade Agreement (APTTA) designed to facilitate trade and transit between the two countries. He celebrated the conclusion of that landmark agreement in Islamabad in the presence of world leaders such as U.S. Secretary of State Hillary Clinton and former Pakistani Prime Minister Yousaf Raza Gilani. Safir was also a driving force behind Afghanistan's journey to WTO accession and participated in two key WTO meetings in Geneva to support Afghan officials in their negotiations to become a member of the renowned trade organization.

“TAFAs is really helping Afghans build their capacity, and I am one example of that,” Safir said. “I have learned a lot.”

In July, Safir was appointed by Presidential decree as the Afghan government's first Commercial Attaché to Switzerland. He is also serving as a Trade Representative to the WTO on behalf of the Afghan government and regards WTO accession as one of his primary goals in his new job.

“WTO accession is vital for our economy,” said Safir. “It will open the door to rest of the world for Afghanistan.”

U.S. Agency for International Development
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SNAPSHOT Afghanistan on Trade Fast Track

Afghanistan has been quicker off the mark than most applicant countries, submitting complex documents to the WTO well ahead of time



Much of the world already belongs to the WTO. Afghanistan, outlined in pink on the map, is well on its way to joining the global economy.

“Afghanistan is fully committed to officially integrating into the multilateral trading system. Afghanistan always had a rich history of trade and WTO accession will allow the country to build on that”

***Mozammil Shinwari,
Deputy Trade Minister***

U.S. Agency for International Development
www.usaid.gov

The World Trade Organization (WTO) has expressed support for fast-track accession for Afghanistan, prompting hopes that it is on course to join the 155-member body by 2014. This has been a key goal for Afghanistan from early 2010 and USAID’s Trade and Accession Facilitation for Afghanistan project has been assisting with its systematic integration into the multilateral trading system.

In mid-June, about 20 WTO members including China, the European Union, the United States, India and Pakistan, told a delegation led by Afghanistan’s Deputy Minister of Trade Mozammil Shinwari that they were impressed by the country’s progress in implementing trade reforms.

Afghanistan has already submitted the so-called factual summary, a crucial document that consolidates trade information, including points of agreement and those awaiting clarification. The WTO acknowledges that Afghanistan has been quicker off the mark than most applicant countries and has provided all the relevant information. The Afghan government also trumped the target for submission of its initial market access offer on specific services such as banking, submitting the complex document in June, a year ahead of schedule.

Mr Shinwari acknowledged that WTO accession was “a very lengthy and complicated process but Afghanistan is getting closer and closer to becoming a member because it is fully committed to officially integrating into the multilateral trading system.”

On the sidelines of the multilateral meeting at WTO headquarters in Geneva, Afghanistan held its first WTO bilateral meeting with the United States, focusing on trade in services.

The next WTO meeting on Afghanistan’s accession is tentatively scheduled for December 2012.



SNAPSHOT Traders Applaud Customs Reforms

Streamlined customs procedures are speeding trade and cutting costs for traders and consumers.



Herat Customs Department

Improved customs clearance in Herat is part of ACD's effort to increase customs revenue, and strengthen Afghanistan's economy.

Afghanistan Customs Department (ACD) has streamlined customs procedures, prompting enthusiasm among Herat traders.

"This has had a positive impact on our business," said Ahmad Wali, a shareholder of Etemad Co. Ltd., which imports tires from China and Japan and blankets from China and South Korea. "Before, we were required to spend a lot of time and money on customs clearance. Now within a few hours, customs is releasing our containers, which is a big step toward more and cheaper imports into Afghanistan."

In support of this effort, ACD worked with USAID to streamline and standardize new customs procedures at Afghanistan's customs checkpoints. With USAID's support, ACD rolled out the new procedures in Jalalabad, Kandahar, Hairatan, Sher Khan Bandar, two customs offices in Kabul, and most recently in Herat.

Mr. Wali isn't the only trader in Herat seeing benefits just three months after implementation. Haji Abdul Rahman, the owner of Bashiri Co. Ltd. which imports generators and oil from the United Arab Emirates, the United Kingdom, Italy, and China, said that before the new procedures were introduced, his company endured lengthy and expensive delays at the border, forcing the company to pass on the costs to Afghan customers to keep afloat.

"Now we will import more, and sell more products to the Afghan people at a better price." said Haji Rahman.



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AFGHANISTAN

IX. PROGRESS AGAINST INDICATORS

PROJECT OBJECTIVES			
Indicator	2012 ⁵ Target	2012 Result	Detail on Progress Against Indicators
Percentage growth in trade volume ⁶	Tracking only	7 —	The total value of trade in the Afghan year 1390 ⁸ was \$7.8 billion, an 11% increase compared to \$7.04 billion in 1389. Trade in the first quarter of 1391 increased to \$2.02 billion, showing a 3% increase compared to \$1.97 billion in the first quarter of 1390.
Value of exports	Tracking only	-	Afghanistan's exports were \$142 million during the first six months of 1391, a decrease of 28% compared to \$197 million in the same time period in 1390. Pakistan remained at the top of countries receiving exports with a share of 47% followed by India, China, and Iran with 18%, 6%, and 6%, respectively, during the first six months of 1391.
Value of imports	Tracking only	-	The total value of imports during 1390 was \$7.4 billion, an increase of 9% compared to \$6.8 billion in 1389. Imports grew to \$3.8 billion during the first six months of 1391, an increase of 2% compared to \$3.74 billion in the first six months of 1390. In the first six months of 1391, 23% of Afghanistan's imports were from the United Arab Emirates, followed by 20% and 14% from Pakistan and Iran, respectively. During this time period, 23.3% of goods were imported through Herat, followed by 23%, 18%, and 12% through Jalalabad, Mazar-i Sharif and Nimroz, respectively.

⁵ "2012" covers TAFAs third project year running from Nov. 18, 2011, through Nov. 15, 2012. Data may change as additional information is collected upon full completion of the project year.

⁶ All official data on exports and imports come from ACD and CSO.

⁷ "Tracking only" indicators are for tracking purposes only. TAFAs is not accountable for achieving these targets, but they are critical for monitoring and reporting in the trade context.

⁸ Afghanistan operates on the solar calendar as opposed to the Western Gregorian calendar. The Afghan year 1389 corresponds to March 21, 2010, through March 20, 2011; the Afghan year 1390 corresponds to March 21, 2011, through March 20, 2012; and the Afghan year 1391 corresponds to March 21, 2012, through March 20, 2013.

COMPONENT 1: TRADE POLICY LIBERALIZATION			
Indicator	2012 Target	2012 Result	Detail on Progress Against Indicators
Number of tariff bands	12	14	The number of tariff bands is the number of tariff rates in the tariff schedule. During the project's third year, the number of tariff bands was 14: 1) essential food and non-food products, 2.5%; 2) raw materials, 1%; 3) fats and oils, 3.5%; 4) food and textile, metals, 10%; 5) kerosene, oil products and articles from leather, 8%; 6) gasoline for vehicles and jet fuel, 12%; 7) machinery equipment, 0%; 8) petroleum products, 5%; 9) other import goods, 16%; 10) marble, 20%; 11) luxury and non-priority products, 25%, less than five-years-old; 12) luxury and non-priority products, 35%, more than five-years-old; 13) luxury cars, 40% less than five-year-old; 14) luxury cars, 50%, more than five-years-old.
Percentage reduction in discrepancy between CSO and ACD on trade statistics	10% export 10% import	1% export (first quarter of 1391) N/A import	TAFAs beat its target for 2012 and reduced discrepancy in exports to 1% in the first quarter of 1391. Information for imports for the first quarter of 1391 has not been provided by the CSO. TAFAs collected the baseline data for this indicator in 1388 that shows a discrepancy of 60% for imports and 80% for exports between CSO and ACD. In 1389, the discrepancy was reduced to 25% for imports and 40% for exports. In 1390, the discrepancy was further reduced to 17% for imports and 37% for exports.
Value of goods exported to the U.S. taking advantage of Generalized System of Preferences (GSP)	Tracking only	\$4 million	TAFAs collected the baseline for this indicator in 2009, which showed \$1.5 million of goods exported to the U.S. In the project's first year, this value was increased to \$2.2 million. During the project's second and third year, the value of goods exported to the U.S. was \$4 million for each year. The GSP is a scheme whereby a wide range of industrial and agricultural products originating in certain developing countries are given preferential access to the markets of the U.S.
No. of new requests, offers, revised offers, or other format text that are submitted by a host country	4	10	With TAFAs support, the Afghan government submitted the following documents to the WTO: 1) initial market access offer on services; 2) initial market access offer on goods; 3) Factual Summary; 4) WTO agricultural subsidies document; 5) answers to questions of WTO members; 6) three SPS laws; 7) TBT law; 8) customs law; 9) transparency law; and 10) the legislative action plan.
No. of trade related international/regional agreements and/or memoranda of understanding signed	1	2	With TAFAs support, the Afghan government signed CBTA in November 2011 and ratified SATIS in September 2012.

COMPONENT 2: CUSTOMS REFORM			
Indicator	2012 Target	2012 Result	Detail on Progress Against Indicators
Number of steps eliminated at KIA, ICDs and BCPs	10 steps	9 at Jalalabad	The project target for 2012 was to eliminate ten steps at various ICDs. During 2012, TAFE succeeded in eliminating 30 steps for import and export. This includes elimination of 9 steps at Jalalabad, 10 steps at Herat, 7 steps at Kandahar, and 4 steps at Sher Khan Bandar. After eliminating the redundant steps from each sites, TAFE, at the request of ACD, grouped the remaining processes into the 12 standard steps as specified in the approved blueprint for clearing imports.
		7 at Kandahar	
		10 Herat	
		4 Sher Khan Bandar	
Monetized value of reduced steps	Tracking only	\$7.5 million at Hairatan ICD	In 2012, TAFE determined the monetized value of reduced steps at Hairatan and Jalalabad ICDs is \$32.3 million. In 2011, the total value of reduced steps at KIA and Kabul ICD was \$4.9 million. TAFE is determining the monetized value of reduced steps at Kandahar, Herat, and Sher Khan Bander ICDs. Monetized value is a financial measurement of eliminated steps and procedures.
		\$24.8 million at Jalalabad	
Number of documents required for import/export	9	10	Based on World Bank's Doing Business Report released in October 2012, Afghanistan requires 10 documents for both import and export.
Number of new policy, procedures and management tools developed for ACD with TAFE technical assistance for management practices	10	25	During its third year, TAFE assisted ACD in developing 25 policy, procedures, and management tools: 1) streamline customs blueprint; 2) risk management procedures; 3) procedures for goods imported by rail through Hairatan; 4) outbound cargo for International Security Assistance Force and U.S. military cargo; 5) workload indicators for staffing needs; 6) training assessment matrix; 7) staff rotation; 8) CIU implementation; 9) NCU implementation; 10) policy to share data with the Afghan Revenue Department; 11) recruitment of MoF contractor for the first tranche of intelligence positions; 12) adoption of the "5x5 Intelligence Reporting form" and associated manual; 13) adoption of the "Trend Alert" form and manual; 14) adoption for use of pocket notebooks; 15) implementation of "Intelligence Assessment" form; 16) adoption of terms of references for "Analysis and Desk Officer" intelligence position; 17) adoption of terms of reference for "Operational" intelligence position; 18) adoption of policy that new intelligence staff be security vetted and polygraph tested; 19) adoption of policy that new intelligence staff be trained via the Afghan National Intelligence Training Center; 20) policy to adopt use of MEMEX in CIU; 21) adoption of policy that up to two officers from ARD be located within CIU; 22) implementation of NCIS database by CIU; 23) implementation of Afghan Customs Intelligence Database (ACID) by CIU; 24) policy to adopt use of the "ASYCUDA Profile Request" form; 25) implementation of national anti-smuggling hotline.

Customs processing times reduced	Sher Khan Bandar= 2 days	Sher Khan Bandar= 1 day	The project exceeded its target by reducing the overall customs processing time at certain locations to 1 day on average in 2012.
	Kandahar =2 days	Kandahar= 1.5 days	
	Jalalabad =2 days	Jalalabad= 1 day	
	Herat= 2 days	Herat= 5 hours	
	Overall= 2 days	Overall= 1 day	
No. of BCPs where BMM is rolled out	5	3	TAFAs, with BMTF support, implemented the BMM in Hairatan, Sher Khan Bandar and Islam Qala. During 2012, TAFAs assessed Torkham, Aqina and Zaranj to determine what steps need to be taken to implement the BMM at those locations.
No. of ICDs adopted customs streamlined procedures	1	4	TAFAs exceeded its target by implementing customs streamlined procedure at four ICDs (Jalalabad, Kandahar, Herat and Sher Khan Bandar) in 2012. During the project's second year, TAFAs implemented customs streamlined procedure at Hairatan, the Kabul ICD, and KIA.
No. of ICDs adopting risk management system in customs clearance process	1	1	TAFAs met its target for this indicator. On June 2012, TAFAs implemented risk management system at KIA for customs clearance process. The implementation of risk management likely fulfilled the IMF benchmark and helped Afghanistan align with international best practices.
No. of intelligence profiles generated by ACD	50	66	TAFAs exceeded its target on increasing the number of intelligence profile generated by ACD to 66 while the intended plan was 50 intelligence profiles. Intelligence profiles are an important tool that aids trade facilitation while ensuring compliance.

COMPONENT 3: TRADE FACILITATION			
Indicator	2012 Target	2012 Result	Detail on Progress Against Indicators
Number of key activities completed toward accession of international transport conventions	10 ⁹	11	Based on the TIR action plan, Afghanistan must complete 24 key activities to operationalize the TIR Convention. ¹⁰ While the target for TAFAs third year was the completion of 10 activities, the relevant stakeholders completed 11 of the 24 activities during the reporting period. The activities include: 1) signature of contractual documents with IRU concerning the issue and guarantee of TIR carnets in accordance with the TIR Convention; 2) publication of a list of customs offices approved for performing TIR operations; 3) awareness workshops; 4) deployment at ACCI headquarters of standard TIR software and telecommunications means; 5) TIR training for ACCI management and staff; 6) IRU furnishes the necessary TIR software to ACCI; 7) training for the head of TIR and concerned staff; 8) real-time information on termination of TIR carnets in Afghanistan (safe TIR termination data); 9) electronic TIR pre-declaration processing; 10) establishment of a unit in customs for vehicle and container approval; 11) establishment of a national authority to select transport companies authorized to use TIR carnet.
Number of trade-related PPP projects developed for GIRoA to implement	2	2 in progress	1) Truck parking facility in Naibabad and 2) truck park facility in Islam Qala
Number of exporters who are using the services of the One Stop Shop	1,250	1,644	TAFAs exceeded its target for this indicator. During the project's third year, 1,644 exporters used the services of the One Stop Shop, which was established by TAFAs in February 2011. Seventy-five percent of goods processed through the One Stop Shop were exported to India with a total value of \$8.4 million following by Hong Kong with \$2.4 million.
Percentage growth in customs revenue			Afghanistan's customs revenue for 1389 was \$946 million. In 1390, custom revenue grew to \$993 million, a rise of 5 percent. During the first six months of 1391, Afghanistan customs revenue reached \$473.2 million, growth of 1 percent compared to the second half of 1390. The Herat Customs House earned the highest revenue both in 1390 and the first six months of 1391, 35 percent and 32 percent, respectively. Mazar-i Sharif and Jalalabad came next with 17 percent and 16 percent for 1390 and in first six months of 1391 Jalalabad and Mazar-i Sharif earn 19 percent and 17 percent, respectively.

⁹ While TAFAs provides support in operationalizing the TIR convention, completion of the TIR action plan and the progress on the key activities associated with the plan is dependent on stakeholders such as ACCI.

¹⁰ Afghanistan's TIR Action Plan is provided in the annex of this report.

CROSS-COMPONENT INDICATORS			
Indicator	2012 Target	2012 Result	Detail on Progress Against Indicators
Number of USG-supported training events held that relate to improving the trade environment	33	51	From November 2011 to October 2012, TAFE conducted 51 training workshop, exceeding the target of 33 training workshop planned for the project's third year. The majority of trainings (33 trainings) were conducted in Kabul followed by Nangarhar (9 trainings), Balkh (5 trainings), Herat (2 trainings), and the remainder in the other provinces. The project trained 1,273 people during this period. Sixty-three percent of the participants were male, and 38% were female. Sixty-seven percent of all participants were non-government employees, while 33% were government employees.
Number of public events held to discuss trade and business policy matters with stakeholders and public	60	65	TAFE's target for the project's third year was to conduct 60 public events; TAFE conducted 65 public events within this period. In total, 1,257 people from the public and private sectors participated in these public events, 1,118 participants were male and the remaining 139 were female. The majority (55 events) of the public events were conducted in Kabul, while the remainder was conducted in other provinces. A public event is defined as a major TAFE-led and/or supported trade-related activity such as: a conference, seminar, coordination meeting, working group meeting, trade-related fair, roundtable session, consultative process, trade forum, presentation to major gatherings of university students, PPP event, or launch of trade campaign.
Number of person-days of training of key personnel in trade and customs	1,400	1,489	During the project's third year, TAFE generated 1,489 person-days of training of key personnel of government and private sector. While 877 of these person-days of trainings were for males, the remaining 612 was for females. With this, TAFE exceeded its third year target of 1,400 person-days of training.

ANNEX A: AFGHANISTAN'S TIR ACTION PLAN

AFGHANISTAN'S TIR ACTION PLAN			
No.	Action	Actors	Status
1	Designation of the Competent Authorities responsible for the TIR Convention	MoTCA	Completed
2	Signature of a Memorandum of Understanding between the IRU, the Ministry of Transport and Civil Aviation, the Director General of Afghan Customs and ACCI	IRU, MoTCA, Director General of Afghan Customs, and ACCI	Completed
3	Establishment of a National Authorization Committee to select transport companies authorized to use TIR Carnets	MoTCA, MoC, Customs Authority, MoI, interested agencies, ACCI	Completed
4	Designation of the Afghan Authority responsible for the approval of road vehicles as per Article 12 of the TIR Convention	Customs Authorities	Completed
5	Publication of a list of Customs offices approved for performing TIR operations (Article 45 of the TIR Convention)	Customs Authority	Completed
6	Awareness campaign for Customs officials in the functioning of the TIR System	IRU, Customs Authority, ACCI	Completed
7	Preparation for the implementation of the Annex 10 of the TIR Convention establishing electronic transmission by Customs authorities to the IRU of Real-Time information on termination of TIR Carnets in Afghanistan (Safe TIR termination data)	Customs Authority	Completed
8	Electronic TIR pre-declaration processing	Customs Authority	Completed
9	TIR training for ACCI, TIR Holders and Customs officials	Customs Authority, ACCI, TIR Holders	Completed
10	Signature by ACCI once authorized as issuing and guaranteeing Association in Afghanistan of the contractual Deed of Guarantee with the Afghan national Customs Authorities (Annex 9, Part I of the Convention)	Customs Authority, ACCI	Completed
11	ACCI Executives to be familiarized with the basic principles of the TIR System, the roles and responsibilities of the national Association in the functioning of the TIR Guarantee Chain (2 days in Geneva)	ACCI	Completed
12	Signature by ACCI of contractual documents with the IRU concerning the issue and guarantee of TIR Carnets in accordance with TIR Convention (Art 6, Explanatory note 0.6.2 bis to the TIR Convention.)	IRU, ACCI	Completed
13	Deployment at ACCI headquarters of standard IT TIR Software and Telecommunication means	IRU, ACCI	Completed

14	TIR training for ACCI management and staff	IRU, ACCI	Completed
15	IRU will furnish the necessary TIR IT software to ACCI	IRU, ACCI	Completed
16	ACCI Head of TIR and concerned staff: follow up TIR training	IRU, ACCI	Completed
17	Selection and Admission of TIR Carnet Holders to the TIR system (Annex 9, Part II of the TIR Convention.)	ACCI, National Authorization Committee	Not started
18	TIR Audit of ACCI	IRU, ACCI	Not started
19	Certificate of Insurance and authorization letter	IRU	Not started
20	Authorization of a national issuing and guaranteeing association by the Competent Authorities (Article 6 and Annex 9, Part I of the TIR Convention refers)	ACCI, Customs Authorities	Not started
21	Order by ACCI to be delivered with TIR Carnets	ACCI	Not started
22	ACCI starts its TIR activities and Afghan Customs Authority starts to accept TIR transports	ACCI, Customs Authorities	Not started
23	Implementation of Risk Management procedures by ACCI and Customs Authorities	ACCI, Customs Authorities	Not started
24	Participation to IRU and UN TIR meetings	IRU, ACCI, Customs Authorities	Not started